



# THE INDEPENDENT

WEDNESDAY 17 APRIL 1996 40p (IR 45p)

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A city united in hope and fear

Newcastle's high anxiety

Why a ponytail can get you fired

Law

The British designer who took New York

Living



## Legal action will overturn EU beef ban

Ministers confident of success

SARAH HELM  
COLIN BROWN  
and PAUL FIELD

British ministers were confident last night of winning a European Court challenge to lift the worldwide ban on the export of British beef, as senior European Commission officials admitted there was no legal basis for its action.

Authoritative sources within the commission have told the *Independent* that there was no sound legal ground for the world-wide ban and it would most likely be reversed in court. The legal questions were dealt with last night when the BSE crisis first broke and member states sought to respond to domestic pressure.

In taking the European Commission to the European Court of Justice, British lawyers plan to quote assurances that British beef is safe by Jacques Santer, the commission president, and Franz Fischler, the commissioner for agriculture, who admitted last week that he would be happy to eat British beef because there was no medical reason not to.

In a statement to the Commons yesterday, Douglas Hogg, the Agriculture Minister, said the ban was "unjust and unjustified". He admitted that substantive legal action could take months, but Britain will be seeking an interim order by the European Court for the immediate lifting of the ban, pending a further court hearing.

Mr Hogg also announced a package of measures to boost market confidence including a £550m scheme, beginning on 29 April, to buy and destroy cattle aged over 30 months. Farmers

are to receive up to £500 for each dairy cow at the end of its productive life, known as cull cows. Beef farmers whose heifers and steers come to market after 30 months, which are worth considerably more, are to be compensated under an £80m top-up scheme.

Slaughterhouses are to receive an immediate £30m designed to keep them afloat. A further £80m is to be used to remove the blockage of unsaleable beef, currently valued at £132m. The Intervention Board will purchase the stocks at 65 per cent of the market price prior to the BSE crisis before taking responsibility for their disposal.

Mr Hogg said latest reports showed beef consumption was now around 85 per cent of pre-crisis levels and the auction market had recovered to 60 per cent.

Ministers have been holding talks with food chains about resuming British beef sales. The Government ruled out a mass slaughter of cows, but some beef producers said it may not be enough to restore public confidence.

Sources within the European Commission told the *Independent* last night that the ban on exporting British beef to third countries was imposed without any clear legal base and would probably be reversed in court. Furthermore, the commission imposed the global section of the ban without citing any relevant treaty article to justify it, and despite strong indications from its own legal experts that the global ban could be unsound.

"We knew there was no legal basis for telling member states

what they do with exports of beef to third countries," a senior official said.

The admissions will fuel anger in Britain and raise new questions about the way the European Union responded to the BSE crisis. The commission is confident it has clear powers to impose the ban on British beef within the EU, but not to extend it to third countries. However, Franz Fischler, the agriculture commissioner, is certain to continue to insist in public that the commission had the power to enforce a global ban too. Mr Fischler argues that the comprehensive nature of the ban was essential to restore confidence to the markets.

Using diplomatic and legal action, Downing Street said Mr Major also had written to European leaders, including Helmut Kohl of Germany and President Chirac of France, to call for the ban to be lifted, and this week will lobby them for action at an international conference in Moscow.

The Prime Minister said the all-clear given by Mr Santer and Mr Fischler made the ban "inappropriate". The next meeting of agriculture ministers is not due until 29 April. British ministers may seek an emergency meeting of the agriculture council to lift the ban.

The package of help for farmers was welcomed on all sides of the Commons.

Mr Hogg said that the Government would not accept the demands of some EU ministers for Britain to carry out a massive culling programme. The numbers selectively culled would be in low tens of thousands, he said.

Aid for farmers, page 2

Duchess to relinquish HRH title under terms of divorce

## Yorks bring marriage to an end

PETER VICTOR

The Duke and Duchess of York are to divorce after more than two years' separation. It was announced last night by lawyers for both sides. Legal proceedings are already under way and the marriage is expected to be dissolved by the end of May.

The first hearing will be held today in the family division of the High Court in London and the divorce will be finalised before the end of May.

The Queen, who has been informed of the couple's decision, was said to be "saddened". But royal-watchers said she was relieved by the announcement which comes just before her 70th birthday on Sunday.

The solicitors for the Prince and the Duchess declined to discuss the terms of the divorce, though they said the Duchess would relinquish the title "Her Royal Highness" and will look after their children. Buckingham Palace stressed that the Duke and Duchess, married in 1986 and separated in 1992, remain "close friends" and were under no pressure from the Royal Family to divorce.

A Palace spokesman denied the Queen had written to the Duke and Duchess in the same manner as she wrote to the Prince and Princess of Wales, calling for an end to the marriage.

Financial arrangements between the Duke and Duchess were "entirely a personal matter" and were not being discussed with the media.

Solicitors for the Prince and the Duchess also declined to discuss the terms of the divorce. They issued a joint statement saying: "The Duke and Duchess of York today announced... that they have agreed, after more than two years' separation, that their marriage should formally be ended. Accordingly the necessary legal proceedings are under way and it is anticipated

that the Decree Absolute will be made at the end of May.

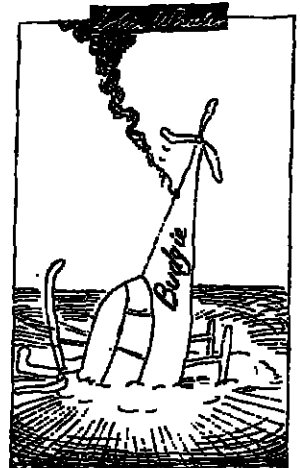
"The decision by the Duke and Duchess is a personal one, and theirs alone. Her Royal Highness The Duchess of York has chosen not to use the style 'Her Royal Highness' and will continue to be the Duchess of York... The children will continue to live with the Duchess."

The royal divorce is listed for hearing today in the Principal Registry of the High Court Family Division at Somerset House, London.

The case, listed as "HRH The Duke of York v HRH The Duchess of York", is the last in a list of 29 "quickie" special pro-



A personal decision: A smiling Duchess of York pictured during her skiing holiday in Verbier, Switzerland, last Sunday. Photograph: Arnold Slater



cedure divorces to be disposed of under the fast track system before Senior District Judge Gerald Angel. Barring any objections, decrees nisi will be granted in all 29 petitions "en bloc" after the names of each couple have been read out.

It is understood that the Duchess will continue to live at her rented home, Kingsbourne, at Wentworth.

The 36-year-old Duchess is in the middle of a skiing holiday in Switzerland with her children. A spokeswoman for her said: "There is no further comment." Fame and bad taste, page 3

## Girl, 2, beheaded by Israeli missile



An Israeli F-16 pilot returning from a raid on Hizbollah targets in Lebanon yesterday. Photograph: Nati Hanik/AP

ROBERT FISK  
Sidon

In its attack on what it claims to be Lebanese Hizbollah targets, Israel yesterday bombed a Palestinian refugee camp at Ein el Helweh and killed two more civilians - a woman who died in an air raid near Baalbek and a two-year-old girl decapitated by an Israeli missile fired from a helicopter over Beirut.

Their deaths bring to 25 the number of civilians cut down in the Israeli offensive, of whom at least 14 are women and children, the youngest a month old.

In southern Lebanon the Hizbollah fired another 20 Katyusha rockets back at Israel, wounding several civilians. Israel did not give precise figures.

The sixth day of Israel's operation, which it says is intended to force the Lebanese

government to disarm the Hizbollah, opened before dawn when two helicopters flew over the Ein el Helweh camp and fired two missiles at the house of Mounir Magda, a Palestinian official who broke with the PLO leader because he disagreed with the Oslo accord between the PLO and Israel.

Mr Magda was not hurt, but his three-year-old son Mazen was reported to be badly injured and a married couple were gravely wounded when one of the missiles hit their neighbouring house.

Osama and Samia Osman were taken to the Hammond Hospital in Sidon where they were yesterday in critical condition with shrapnel wounds to the head and upper body. Dr Ghassan Hammond, the director and owner of the hospital, gave the *Independent* a set of

hospital records which show that in the past six days, his doctors have tended 88 wounded civilians. The figure suggests that the official tally of 166 wounded in all Lebanon may be a serious underestimate. One of Mr Magda's bodyguards was also reported to have been wounded in the missile attack - the only militia man reported to have been injured during the day. A married couple were also wounded by shell fire in the village of Tibnin. But still not a single Hizbollah guerrilla appears to have been killed.

Two other civilians were wounded when an unnamed woman died in the Israeli air raid at Baalbek which the Israelis said was aimed at a Hizbollah office. They used the same description of the helicopter missile attack on Beirut's southern suburbs which killed

the two-year-old girl in mid-afternoon.

Yesterday morning, Israel's proxy militia radio station in southern Lebanon began threatening civilians in Tyre, warning them to leave their homes if 'terrorists' lived near them and created a miniature version of the mass panic that gripped Tyre at the weekend. By nightfall Sidon's streets were almost empty.

A US proposal aimed at ending the fighting seemed to be over almost before it began when Lebanese Prime Minister Rafik al-Hariri said it was difficult for Beirut to accept some of its terms. US Ambassador Richard Jones had called for the revival of a 1993 understanding barring attacks against civilian targets on both sides of the Lebanese-Israeli border as a first step.

Her fourth birthday may well be her last, but she isn't ill



She's poor

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### IN BRIEF

#### Ceasefire plot

The IRA were stockpiling bombs and making lists of potential targets throughout the ceasefire. Page 2

#### Madonna with child

Pop star Madonna is pregnant with her first baby and is "deliriously happy". Page 10

#### Today's weather

Mainly bright with scattered showers. Section Two, page 29



## Flying pizza that reaches for the stars

CHARLES ARTHUR  
Science Correspondent

America's future astronauts might travel a long way from home, but at least they'll still be able to get the essentials of earthly eating - pizza, cookies and fresh bread. The key: a 15-year project at Utah State University which has succeeded in developing a fast-growing dwarf wheat that NASA, the US space agency, will grow in future space missions. Called Apogee, the specially-bred wheat has been developed specifically to thrive in space. Its yield of 600 bushels

per acre is twice that of the best of natural strains, and its heads of grain emerge after three weeks, a week before earthen-brown rivals. It also produces fewer branches than rivals, so using less energy on growing and more on producing grain. And it is only 18 inches high when mature - an advantage in the cramped environment of a spacecraft.

Long space missions to Mars and other planets - and perhaps one day to the stars - will call for spacecraft which function as self-contained ecosystems, where astronauts' food is produced onboard. It is more efficient, and much less expensive, to use the plentiful solar energy to grow food during the journey, rather than hauling it all the way from Earth.

Apogee wheat will be grown on the International Space Station, due to be built by 2002, and Bruce Bugbee, professor of plant physiology at Utah State University, is already working on other crops. Tomatoes, rice and soybeans are high up the international list of ingredients in space travellers' onboard farms. And making a pizza would not require a space cow: "You can make vegetarian cheese," Professor Bugbee points out.

"Rice and potatoes take very little preparation to eat, it's true," the professor said yesterday. "But the bad news is they only make one product. Whereas without too much extra processing, wheat gives you the basis of noodles, pizza bases, cookies - it's the basis of the food we eat."

An area of Apogee wheat about 30-yards-square would meet one person's needs indefinitely, given the right light conditions, said Professor Bugbee, and harvesting and processing could be automated. An experiment is due to start within the next two years to see

whether a space farm using the latest newly-bred crops is viable, in which astronauts will live in a sealed pod in NASA's Johnson Space Centre in their own space farm. "We could be ready in the near future to have people permanently living in space," said Professor Bugbee. Those unable to get that far can still get a taste of Apogee. The University is making free samples available to laboratories and schools worldwide. Those interested can apply via post to the USU Crop Physiology Laboratory, Utah State University, Logan, Utah, or by email to bugbee@cc.usu.edu.

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news

## Dictionary of Caribbean English has a word for everything

JOJO MOYES

Feeling humgrumshious? Perhaps you've just been told you're looking obsocky. Or worse, that you're a pesterous nowherian.

Those who hail from the West Indies will have already identified a rough and crude person wearing ill-matching

clothes, denounced as an irritating tramp.

Those who don't, but like to have a plaster for every sore (an answer for everything) might like to consult the first ever dictionary of West Indian words and phrases - the latest dictionary to be published by the Oxford University Press.

The Dictionary of Caribbean English Usage claims to be the first attempt in 400 years to translate some of the more flamboyant West Indian expressions. Among the 20,000 words explained are puss boots (soft-soled shoes), nimbles (fleas) and the Caribbean equivalent of shank's pony - to

take taxi 11 (from the legs 11 bongo call).

People may be described as foodist (greedy), rang-a-tang (belligerent) or spree boy (someone who wants to have fun). They might be sprankious (lively and good looking), sometimish (moody and unreliable) or trickified (cunning and

crafty), kicky (lively) or simply bazodi (stunned).

A prostitute is euphemistically described as a sport girl, while a gay man is variously described as an antic man, antiman or pantyman - expressions that are likely to leave neither of them in "goat heaven and kiddie kingdom" (in a

state of bliss). The dictionary, priced at £50, has been compiled by Guyanese-born Richard Allsop, 73, who recently retired as reader in English Language and linguistics at the University of the West Indies.

A spokesman for the Oxford University Press said: "This is an inventory of the linguistic

environment and life-style of the English-speaking Caribbean peoples."

Speaking from his Barbados home, Mr Allsop said: "The book is an attempt to collect 400 years of ecology, history and culture of the Caribbean. It is not meant to replace any dictionary of standard English."

## IN BRIEF

## Ex-husband held in murder probe

Detectives investigating the riverbank murder of divorcee Karen Skipper as she walked her two dogs are questioning her ex-husband, Philip Skipper, 38, who was arrested early yesterday and taken to Fairwater police station in Cardiff.

The partially clothed body of Mrs Skipper, 34, was found in the River Ely on 10 March. Her hands had been tied behind her back with a dog-lead. Tests showed she had been dragged through brambles and into the water where she was held under until she drowned.

## Lion blaze drama

Wardens armed with high velocity rifles protected firefighters when a car caught fire in the lion enclosure at Lord Bath's Longleat Safari Park in Wiltshire. Visitors Craig Gordon and Michelle Sanders, of Southampton, were pulled from their vehicle as the warden kept 12 lions at bay. Keepers received special training after a similar situation involving another terrified family in the big cats' enclosure last year.

## Legal ban on leaks

The Department of Trade and Industry won a High Court injunction to block further publication in *The Economist* of details from a leaked report which recommended that National Power's £2.8bn bid for Southern Electric and Powergen's £1.95bn bid for Midland Electric be allowed. Judge Longmore said that information already in the public domain could be repeated but no new information was to be disclosed.

## Double tragedy

A mother lost her baby to suspected meningitis hours after her son died from hit-and-run injuries. Angela Bretherton, 26, was at her four-year-old son Jamie's bedside in Liverpool's Alder Hey Children's Hospital when eight-week-old Anthony was taken ill. Paramedics rushed to the family home in Timeth but attempts to revive him failed. Jamie was hit by a BMW on a pedestrian crossing and died from his injuries. Mrs Bretherton, who has two other children, is under sedation.

## Such sweet sorrow

Receivers have been called in at Meltis plc, best known as the makers of New Berry Fruits. Accountancy firm KPMG warned they could not be optimistic about saving the company, which employs 310 staff at a factory in Bedford making New Berry Fruits, crystallised fruit and Turkish delight. Stephen James, one of the two receivers, said: "Meltis is clearly a famous and evocative name - I gave my mother boxes of New Berry Fruits on special occasions."

## Royal pay rises

Unions representing 600 members of the Queen's staff are to press for basic pay increases of 2.9 per cent. A handful of senior staff will also receive performance-related rises which would take their total increase to almost seven per cent. But most workers, including gardeners, porters, cleaners and chambermaids, would receive considerably less, according to union officials. Talks will be held later this month before a deal backed to 1 April.

## Plane nightmare

A panicking passenger forced a pilot to land his plane in a field and then jumped out straight into the spinning propeller blades. The 43-year-old man is critical after emergency surgery at the North Hampshire Hospital following the incident in a field near Hannington. His arm was almost torn from its socket and he suffered serious spine, head and neck injuries after leaping from the three-seater single engine Cessna.

## Radio cliffhanger

Fans of The Archers radio soap were left on the edge of their seats after a technical fault interrupted transmission of a crucial episode. Listeners will have to wait until Sunday to hear the outcome. The episode centred on a family argument over funeral arrangements for the character Guy Pemberton.

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## IRA bomber 'had hit-list'

JASON BENNETTO  
Crime Correspondent

The IRA was stockpiling bombs and making lists of potential targets on the British mainland throughout the last ceasefire, it was disclosed yesterday.

Details of the preparations for a terror campaign, which took place while President Bill Clinton was on a peace mission to the United Kingdom and Dublin, were revealed at the inquest on Edward O'Brien, the terrorist who blew himself up on a bus in central London.

It is believed the information about O'Brien's terrorist activities was found in documents recovered from his flat in south east London.

O'Brien, 21, died on 18 February when the 5lb Semtex bomb he was carrying went off accidentally at the Aldwych.

At yesterday's inquest at Westminster Coroner's Court, in which a verdict of accidental deaths was recorded, Detective Superintendent William Emerson of Scotland Yard's Anti Terrorist Branch said O'Brien was working for the IRA on the British mainland as early as August 1994.

Police raided O'Brien's flat immediately after the blast and found 33lb of Semtex, 20 timers, four detonators, an incendiary device and ammunition for a 9mm handgun which he was carrying when he died. They are also recovered documents outlining potential future targets.

Mr Emerson said: "It was a complete find of bomb-making equipment which could have sustained a significant bombing attack on the citizens of London."

"I can prove that from August 1994 O'Brien was in London operating on behalf of the IRA and indulging in criminal activity. I can prove that in October and November 1995 he was collecting targeting information and assembling his bomb-making equipment in his flat, clearly intent on carrying out the intentions of the Provisional IRA."

The police are also almost certain that O'Brien was also responsible for a planting a Semtex bomb on 15 February in a telephone box in central London, which was later deactivated by the police. An identical sports bag and similar bomb making equipment was found at O'Brien's flat. The inquest heard details of the blast that ripped apart the No 171 bus.

Pathologist Dr Iain West said O'Brien, from Gorey, County Wexford, was killed "virtually instantaneously" by massive injuries caused by the explosion - his legs were blown off, he was peppered with shrapnel, and the force of the detonation ripped his lungs to tatters. Forensic and

pathological evidence suggested that the bomb was being carried in a bag at knee height as O'Brien stood at the bottom of the stairs of the double-decker bus.

Allen Feraday, a forensic scientist, said he could not say exactly why the bomb went off early, but said the most likely reasons included poor training, bad construction and electrical or mechanical faults.

The inquest was also told of acts of bravery and lucky escapes. PC Miles Manning, who was off-duty when the bomb went off, helped the two passengers and driver injured in the blast. He recalled: "I saw the bus and it looked like there was a huge bite mark where the door should have been. Lying in this bite mark was a white male who was still alive and murmuring. 'Then I looked up and saw the deceased. It was obvious he was dead. His legs had been blown off.'"

Paris Valentine, a solicitor, who was on the bus and escaped with a few cuts and a perforated eardrum, told the inquest: "There was a piercing sound going through my mind. Everything became still and suddenly I was surrounded by complete darkness with sparks of light. 'I was losing consciousness, but I forced myself to stand up and get out of the bus.'"



Heseltine in Belfast: He appealed for reinstatement of peace talks

## Mayhew pressure on IRA

DONALD MACINTYRE

Sir Patrick Mayhew, Northern Ireland Secretary, yesterday used publication of a bill for the province's forthcoming elections to press for an early restoration of the IRA ceasefire to ensure all-party talks go ahead on June 10.

The Government is rushing through the bill, which will provide for elections on 30 May, in the hope of ensuring Royal Assent by Monday week. The second reading in the Commons will be tomorrow. Sir Patrick yesterday emphasised that the elections, which provide for a 110-member forum from which

negotiators will be chosen by party leaders, was a "gateway to negotiations that can lead towards a long-term political settlement in Northern Ireland".

The Government has made it clear Sinn Féin's participation in the all-party talks depends on "unequivocal" restoration of the truce. Sir Patrick yesterday dismissed suggestions that he had accepted that a *de facto* ceasefire already existed and made it clear that the Government was expecting a declaration that it had been restored.

Pressed on whether parties would be satisfied if the ceasefire was announced only on the eve of all-party talks, Sir

Patrick said: "It would be increasingly hard to persuade participants that it was unequivocal and genuine, the nearer to the off it was delivered." His remarks were reinforced by the Deputy Prime Minister, Michael Heseltine, who said on a visit to Northern Ireland that the ceasefire should be reinstated as soon as possible. "It is a tragedy it was interrupted, I hope it was only an interruption."

People in the province had "suffered appallingly" and had felt a deep sense of relief when the ceasefire was called. Everyone hoped the violence was behind them.

## One-seat majority on the line

JOHN RENTOUL  
Political Correspondent

The Government's one-seat Commons majority will be put to the test tonight, in a vote on a Labour motion calling for the withdrawal of plans to privatise Railtrack.

As Clifford Forsythe, the Ulster Unionists' transport spokesman, signalled that his party's nine MPs were hostile to privatisation, the Northern Ireland Office moved to reassure them that there was "no truth" in reports that railways in the province would be sold.

With all the other minor parties also opposed to the controversial privatisation, tonight's vote could turn on the loyalty of just one Conservative MP.

Mr Forsythe, MP for South Antrim, warned that the railways must remain an integrated public service. He said: "Rather than having a disjointed system, the roads and railways in the whole of the UK all should fall into one plan. Essential rail links should be retained as a public service rather than simply on whether they are financially viable."

The people of Northern Ireland had an interest in Railtrack, because of the importance of the West Coast line from London to ferry points on the Irish Sea.

But the Northern Ireland Office statement faxed yesterday to Unionist MPs appeared to satisfy their concerns about the future of Northern Ireland Railways.

The statement repeated the Government's commitment to "a programme of maximising private sector expertise" through market testing and contracting out, but said there was "no current timetable for privatising public transport in Northern Ireland".

Fresh legislation would be required for privatisation in the province. With the voting intentions of the Ulster Unionists still unclear last night, potential Tory rebels denied that they would break ranks. A Tory party spokesman said he was confident of a government majority of about 20.

Sir Keith Speed, the MP for Ashford, said he was in close touch with the half-dozen Tories who lobbied Sir George Young, Secretary of State for Transport, just before Christmas. He said yesterday: "I would be very surprised if any of them would

abstain, let alone go into the Opposition lobby on Wednesday."

Tony Blair, the Labour leader, upped the stakes in the Commons yesterday, when he raised the sale issue at Prime Minister's Question Time.

He asked if one reason for the Tory defeat in last week's Staffordshire South East by-election was not that "people don't want to see their railway system broken into a 100 different companies, sold on the cheap, laced with sweeteners out of the taxpayers' money?" He said "hundreds of millions

of pounds" were being spent on selling-off the railways "when the vast majority of people would like to see that money spent on improving it as a public service."

Mr Major said previous Labour governments had closed more than 600 stations while the Tories had opened more than 220.

Under Labour, fares had risen by more than 20 per cent while the Government had pegged fare rises to inflation and fares would drop later.

Opposition to the sell-off among the public is underlined by an ICM poll for today's *Guardian*, which suggests 43 per cent think services will be "less safe" when the railways are fully privatised, 47 per cent think they will be "worse" and 79 per cent think they will be "more expensive".

Meanwhile, the Save Our Railways campaign went to the High Court in London yesterday to seek leave for a judicial review of the franchising process over the refusal by the franchising director, Roger Salmon, to allow British Rail to bid for the London, Tilbury and Southend franchise.

The lines receive a subsidy of £7.3m, but this amount is declining each year, which is why privatisation is seen as a long-term option. The sale would be fiercely opposed by Ulster Unionists through fear that the lines would eventually be taken over by Irish Railways.

acquisitive bus company, has had two meetings with ministers over plans to take over the service, the Government denied there were any firm plans for a takeover.

Northern Ireland benefits from an integrated transport policy that would not be allowed by Tory dogma in Great Britain. A single company, Northern Ireland Transport Holdings, owns both the railways and the two

main bus companies, Ulsterbus and Citybus and therefore runs the services in co-operation with each other.

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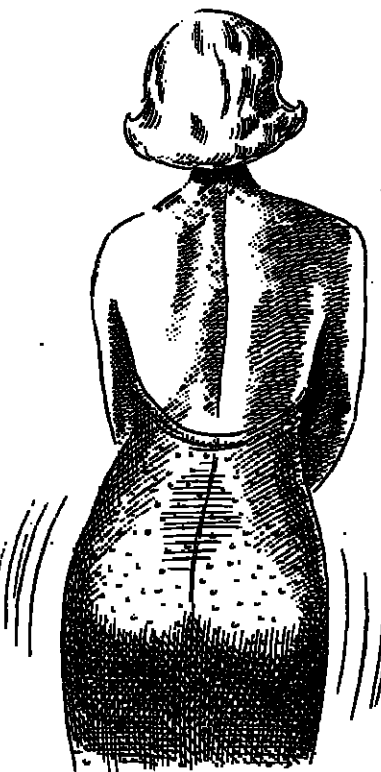
acquisitive bus company, has had two meetings with ministers over plans to take over the service, the Government denied there were any firm plans for a takeover.

Northern Ireland benefits from an integrated transport policy that would not be allowed by Tory dogma in Great Britain. A single company, Northern Ireland Transport Holdings, owns both the railways and the two

main bus companies, Ulsterbus and Citybus and therefore runs the services in co-operation with each other.

The lines receive a subsidy of £7.3m, but this amount is declining each year, which is why privatisation is seen as a long-term option. The sale would be fiercely opposed by Ulster Unionists through fear that the lines would eventually be taken over by Irish Railways.

What's the connection between  
Mowoe  
and Wigglesworth?



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NORTHWEST KLM

COLIN BROWN

John Prescott, Labour's deputy leader, last night lodged an official complaint against photographs of himself being doctored to make him look like a "champagne socialist".

The true picture of Mr Prescott and his wife Pauline at a party showed that there were bottles of Beck's beer on their

table, not champagne bottles.

But in the photograph that appeared in the London *Evening Standard*, one bottle of beer by Mr Prescott's hand had been airbrushed out of the picture. Another had been cropped so that it appeared to be the neck of a champagne bottle.

"However harmless this may seem, I believe it is disgraceful and unacceptable that a news-

paper should doctor pictures in this way," Mr Prescott said.

Airbrushing was often used by newspapers in the former Soviet Union to remove Soviet leaders who were no longer in favour in the Politburo. But it is probably the first time a beer bottle has been removed this way.

It came after the press seized on Mr Prescott's comments last week that he was "middle class"

because he earned £34,000 as an MP. Under the headline "Aye lad, I'm right middle class, me", the *Standard* said Mr Prescott had handed Tony Blair's New Labour the ultimate endorsement by admitting he was middle class.

Beneath the photograph, showing Mr Prescott in a dinner jacket, was a caption saying "champagne socialist".

He took the unusual step of issuing a statement to demand a full apology for the slip over the beer as part of Labour's "rebuttal" policy in the run-up to the general election. He said: "The standards of the Tory press in the run-up to the election are bound to be an issue if this kind of thing goes on and we intend to draw attention to such malpractice at every turn."

الاحد ١٧ أبريل



# 'She had exorbitant bad taste, a voracious appetite for publicity, and swallowed up large amounts of money'

REBECCA FOWLER

She launched herself as the Duchess of laughter who would cast a modern ray of sunshine on the royal family. A decade on no one better epitomises their decline than Fergie and her legacy of lewd behaviour, miserable debts and public disgraces.

So what went wrong for the once great hope of the Windsors? There are so many moments that might be held up as the turning point from the 'toe-sucking' to the plight of her cartoon character Budgie the Helicopter, to the recent revelation that she owes £3m, that it is almost impossible to recall the Duchess' heyday.

According to her critics the signs were there from the very start, when she married Prince Andrew at Westminster Abbey in 1986. As she turned round, not to face the cheering crowds with a regal smile, but to tie a teddy bear to the back of their horse-driven honeymoon carriage bearing the couple off into their short-lived sunset, they knew.

Richard Barber, editor of OK magazine which is the rival of Fergie's great friend Hello!, said: "From that moment we knew we were in trouble and it was all going to go wrong. It was a question of there's a good sport and then there's Fergie."

For those who were anxious to see the royal family pulled into modern life, Sarah Ferguson, a thoroughly modern royal who had worked for a living in publishing, had a series of previous boyfriends and openly struggled with her weight, seemed the ideal antidote. The public was willing to at least give her grinning and hearty style a chance.

For many she symbolised the two conflicting worlds of the royals, at once anxious to retain their dignity, but also eager to be seen to be relevant and up to date.

It was when Fergie came under the fiercest fire from the old-style establishment that she was often at her best, not least when the usually supremely gentle Lord Charteris said of her: "She is simply a vulgarian. She is vulgar, vulgar, vulgar, and that is that." Instead of retaliating the Duchess responded with dignity by responding she had always thought he was a very nice man.

However, it was a rare moment of wisdom in an otherwise chequered career as a leading player in the royal drama, constantly dogged by irritating follies, from entering into a food fight with bread rolls during a flight with her father, Major Ron Ferguson.

The most disturbing concern for the royals must have been the gradual realisation that Fergie was only playing at being a royal, in the same way that she

played at being a chalet girl, a publisher, an author. The only thing she appeared to remain constant to was her love of going on holiday and, to her credit, her two daughters Eugenie and Beatrice.

When Fergie became the first royal to open her doors to Hello!, in an unprecedented step that showed her and her family in casual mode, it was clear she was lapping up the limelight. They posed in their modern palace, the newly-built Sunningdale that resembled an out-of-town Tesco, and invited the public in to see how normal they were.

Fergie was not normal. The truth was there for all to see. She had exorbitantly expensive bad taste, a voracious appetite for publicity, and swallowed up large amounts of money, but unlike the rest of the Windsors she did not even have a birth-right.

If there was a turning point in her own image, it was the long-lens shot of Fergie in the South of France, having her toe sucked by her 'financial adviser', John Bryan, following her separation from Prince Andrew in 1992. Her remaining credibility nose-dived.

Although it was clear from the early high jinx of the Duchess of York that she was a potential time bomb for the royals, few could have anticipated the absurd depths to which the 'toe sucking' incident would bring them down. With so many other catastrophes in the wings with the Prince and Princess of Wales, it was nothing short of a disaster.

The Duchess remained tenacious in her determination to retain a place in royal life. She continued to campaign for her children's charity, albeit with the coffers empty, and she continued to appear in Hello! constantly reinventing herself with new hairstyles.

Even in Fergie's darkest hour her most loyal followers believed she might be resurrected as a main player in the royal saga. However, her behaviour has continued to heap yet more embarrassment on the family she married into.

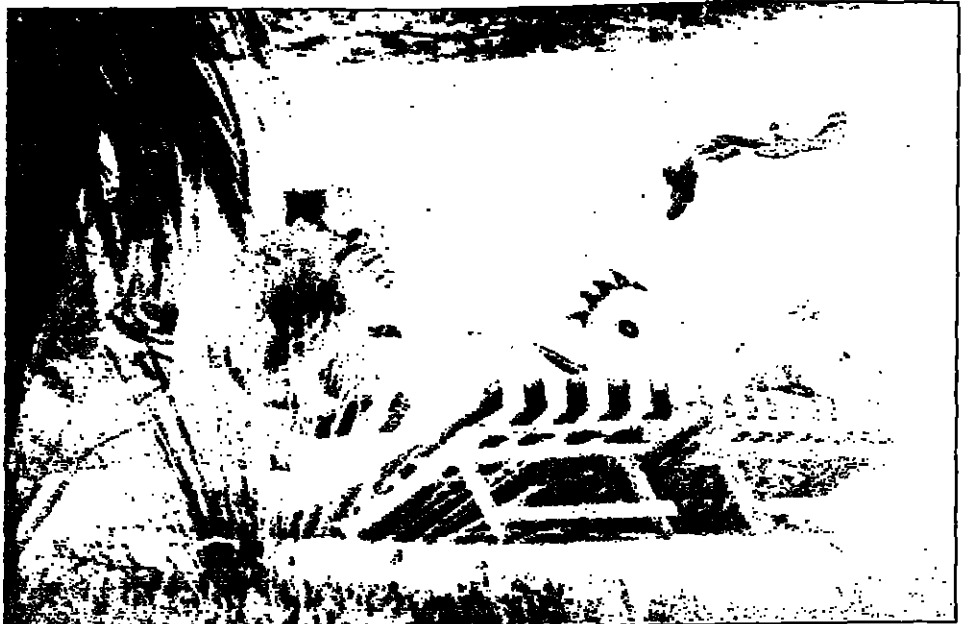
The Duchess had a series of arguments with her staff, and two aides left her, prompting speculation that while her status has sunk her behaviour has become more demanding and erratic. Her pursuit of Thomas Muster, the tennis star, around the world, has also caused blushes on her behalf.

Perhaps the saddest image of the Duchess of York was her latest reinvention in Hello!, a pale, emaciated shadow of herself.

Like the very first vulgarian, Thersites in the Iliad, a soldier who dares to talk back to his betters, she has received a sound beating for her vulgarity. But her followers insist, the Fergie story is not over yet.



End of the fairytale: The wedding kiss and (right) the toe-sucking incident



Running into trouble: Fergie and the infamous It's A Knockout

## Troubled future for Beatrice and Eugenie

The future of the young princesses, Beatrice and Eugenie, will have been a legal minefield for lawyers negotiating the Yorks' divorce.

Exile of the Duchess from court circles could mean the Queen seeing less of the children, who are fifth and sixth in line to the throne. Previous royal divorces have ended with the children staying with their mothers, who themselves remained within the Royal Family. But while Princess Margaret and the Princess Royal are the

Queen's blood relations, the former Sarah Ferguson is not.

Beatrice, seven, and Eugenie, six, are expected to continue living with their mother, seeing their father only when he is on leave from naval duties. The Duke, a senior pilot, is believed to have taken a short job in an attempt to save his marriage. But responsibility for two small girls at home could be an unwelcome complication.

Since March 1992, when the Palace announced that the Yorks were discussing a separation, the

daily lives of the girls have been turned upside down. Soon afterwards they moved with their mother from Sunninghill Park, Berkshire, and lost their normal family relationship with their father. In August 1993, they lost their nannies, Alison Wardley and Sally Fish, who had been with the Duchess since Princess Beatrice was born.

Marriages of couples with small children break up every day, but rarely with a worldwide blaze of publicity compounding their isolation and sense of

abandonment. The strain on Beatrice and Eugenie has been clear. There have been times when they have thrown tantrums — and even tableware at other diners in a hotel restaurant.

Zelda West-Meads, of the counselling service Relate — whose patron is the Princess of Wales — said: "Kids whose parents are being divorced often regress to a younger age, thumb-sucking and bed-wetting. These children suffer a lot of pain and damage. Their lives are never the same again."

## Goodbye to all that ... and Hello! to divorce

23 July 1986: Prince Andrew and Sarah "Fergie" Ferguson marry at Westminster Abbey. August 1988: First daughter Beatrice is born. The Duchess is much criticised after flying out to Australia to visit the Duke, leaving her daughter behind. 23 March 1990: Second daughter, Eugenie, is born. May 1990: Texan oilman Steve Wyatt files the Duchess and Beatrice in his private jet to Morocco for a holiday.

October 1990: The couple move into their new, and much criticised, £5m home at Sunninghill Park, Windsor.

November 1991: Cleaner Maurice Maple finds photographs of the Duchess of York and Princess Beatrice on holiday at Steve Wyatt's flat in Cadogan Square, London.

March 1992: Buckingham Palace announces that the Yorks are discussing a separation.

August 1992: A paparazzi takes sneak pictures of the Duchess with John Bryan, a "financial adviser" kissing her instep as she sunbathes topless at a villa in St Tropez, in the south of France. March 1993: Duchess tells Harpers and Queen magazine: "I want out of the whole thing so I can get on with my life and stop being blamed for everything ... I have been the scapegoat of the Waleses for the past four years."

July 1993: Duchess's hopes of becoming a goodwill ambassador for the United Nations are dashed.

October 1993: Duchess turns down her invitation to Lord Linley's wedding as insiders claim that she no longer feels part of the Royal Family.

9 December 1994: Divorce first raised by the Duchess at a charity Christmas party for motor neuron disease sufferers. January 1996: Years of profligate spending leave her with debts estimated at around £3m. The Queen refuses to bail her out after previously giving generous financial help from the royal coffers.

January 1996: Duchess is banned from using the Queen's palace mail service free of charge and is also grounded from using Royal Squadron flights.

March 1996: Ghostlike photographs of a heavily made-up Duchess appear plastered all over Hello! magazine.

April 1996: Austrian tennis star Thomas Muster denies that he



The ghostlike face on a cover of Hello!

is having an affair with the Duchess and says he hopes she will patch things up with her estranged husband.

16 April 1996: Divorce between Duke and Duchess of York is announced.

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## news

## Airport homes scheme 'threatens Domesday Book villages'

NICHOLAS SCHOON  
Environment Correspondent

Several villages listed in the Domesday Book could face obliteration if plans go ahead for thousands of new homes to meet the needs of Britain's fastest-growing airport, the High Court was told yesterday. The development at Stan-

sted in Essex threatened "the greatest change that has taken place to these communities since Roman times", John Steele QC said.

He was appearing on behalf of Felsted, Takeley, Birchington and Little Dunmow parish councils and a local conservation group which have banded together in an attempt to save

their "quintessentially English" way of life.

Mr Steele said the councils were seeking to quash part of the local plan for their area dealing with the location of housing to serve Stansted.

They also wanted a second public inquiry into the highly-controversial issue of making the right provision for the air-

port which, depending on parliamentary approval, was expected to expand in the near future from 8 million to 15 million passengers a year.

As the Uttlesford local plan now stood, provision had been made for 2,500 new homes for airport staff to be spread over four locations - Felsted, with a population of 650; Great Dun-

mow with 625 residents; Stansted Mountfitchet (400), which was mainly in the parish of Birchington, and Takeley (825).

Mr Steele told Deputy Judge George Bartlett QC: "The impact of those proposals on the four rural communities cannot be overstated. They will have the gravest consequences in social, economic, educational,

highways, infrastructure, countryside and environmental terms - and may even lead eventually to the obliteration of their identities as distinct and separate settlements."

Yet the people most directly affected, the residents of the four parishes and the communities themselves, had been unlawfully denied the oppor-

tunity to mount effective opposition to those proposals before a public inquiry, he argued.

The parishes have so far raised £20,000 from fees, sponsored runs, auctions and donations to mount the court challenge. Mr Steele said the scale of the development relative to the size of the existing communities was "immense".

Andrew Warren, chairman of the conservation association covering Felsted and Little Dunmow, said if the plans went ahead "the two villages would coalesce into one sprawl".

He added that the villagers wanted the district plan to be overturned and another one held because "the first one was seriously flawed".

## Brewers tighten code on 'alcopop' marketing

REBECCA FOWLER

Britain's seven largest brewers and distillers have widened their code of conduct on under-age drinking in an attempt to ensure alcohol is not marketed in a way that is appealing to children. The move comes amid claims that up to 17 per cent of 11- to 15-year-olds drink regularly.

The code follows concerns prompted earlier this year over the sale of alcoholic versions of fruit-flavoured soft drinks known as "alcopops", including lemonade, which were deemed particularly appealing to the under-18s, and it extends the existing guidelines to cover all alcoholic drinks.

The Portman Group, the alcohol policy institute sponsored by the drinks industry which published the code, has called for a ban on any marketing that would appeal specifically to the under-18s. It also urges alcoholic drinks to be sold in bottles not cans to avoid confusion.

Dr John Rae, director of the Portman Group, said: "We are determined to see that alcoholic drinks are clearly aimed at an adult market. If reasonable people think the drinks are aimed primarily at young people under 18, the code has been broken." Despite the concern over alcopops, when under-18s attempt to purchase alcohol their first choice is either cider or beer, according to research commissioned by the Portman Group. It also found nine out of 10 shopkeepers said under-age purchasing had not increased since the fruit-flavoured drinks came on the market.

But the group had been accused by anti-alcohol campaigners of not going far enough to protect children with the code, which is voluntary. They have called for stricter enforcement of licensing laws, and "test purchase" of alcohol

schemes at supermarkets and off-licences which would allow the police to work with young people.

Alcohol Concern, which campaigns against alcohol misuse, found that recent research showed 17 per cent of 11- to 15-year-olds admitted drinking regularly in 1994, before alcopops hit the market, compared with 13 per cent in 1990.

Eric Appleby, director of Alcohol Concern, said: "If the new code is to be anything more than a cosmetic public relations exercise, it must have more teeth and be rigorously monitored by an independent agency rather than the drinks trade itself."

He added: "There is no doubt that alcopops, with their sweet taste masking high alcohol contents, are attracting under-age drinkers, and that is something we cannot risk at a time when teenage drinking is on the increase."

A gang known as "The Libyans" smuggled millions of pounds' worth of bootleg beer and wine into the UK for sale in cash and carry stores, a jury heard yesterday.

Under the leadership of a man code-named Gaddafi, the operation involved 50 hired vans and several seven-ton lorries, Maidstone Crown Court in Kent was told.

Working from a rented house and builder's yard in Deal, Kent, up to four vans would make twice daily trips across the Channel to buy beer and wine from hypermarkets in Calais.

The vans, "loaded to the gunwales", would then return to Deal. The drink would eventually be distributed in London.

Four men deny evading beer and wine duty, while 10 others have admitted the charge. The men were arrested in December 1994 after a Customs surveillance operation.

The trial continues.



Hive of activity: The Ponte Vecchio in Florence with its shops and businesses could be a guide to how a habitable 'Londoners' bridge' could operate

## Gummer outlines vision of bridge to unite Londonders

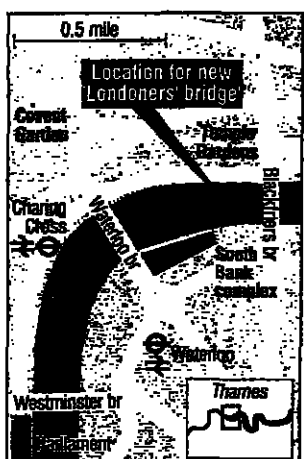
ROS WYNNE-JONES

A competition to design a habitable "Londoners' bridge", alive with housing and commerce, was launched yesterday by John Gummer, Secretary of State for the Environment.

The proposed bridge, for which the competition organisers hope to gain commercial backing, is to span the River Thames from Temple Gardens, near Covent Garden, on the north bank to the London Weekend Television building near the South Bank Centre.

Designs, which are to be submitted by a shortlist of architects, will form the centrepiece of an exhibition at the Royal Academy of Arts in September. Sponsored by the Corporation of London, the exhibition will feature a river meandering through the main gallery at Burlington House, Piccadilly, spanned by models of historic and futuristic bridges.

Contemporary proposals for bridges across the Thames will also be represented, including Will Alsop's design of a home for the Institute of Contemporary Arts (ICA) at Blackfriars



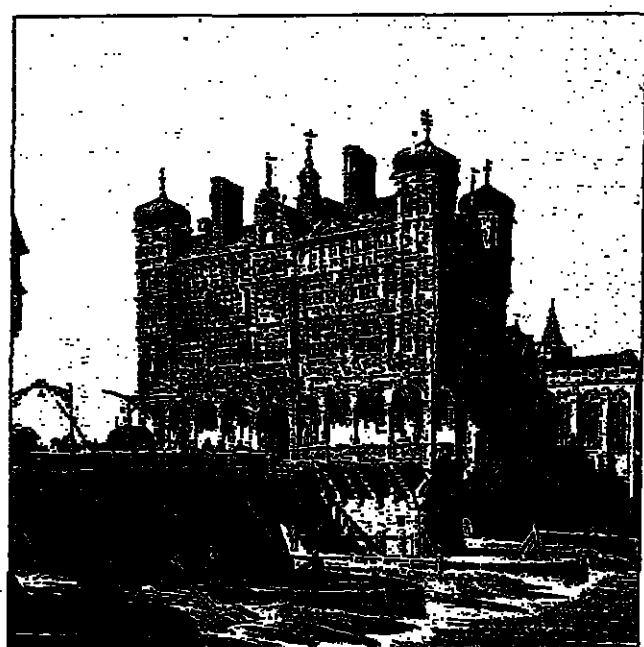
and the Peabody Trust's vision of a housing scheme between St Paul's Cathedral and Bankside.

Mr Gummer, who is also minister for London, said the concept of a habitable bridge in the capital harked back to the old London Bridge, which was stacked with houses and businesses and "on which people felt themselves to be a part of this great city". The minister said the purpose of a bridge should be to join, and not divide, London.

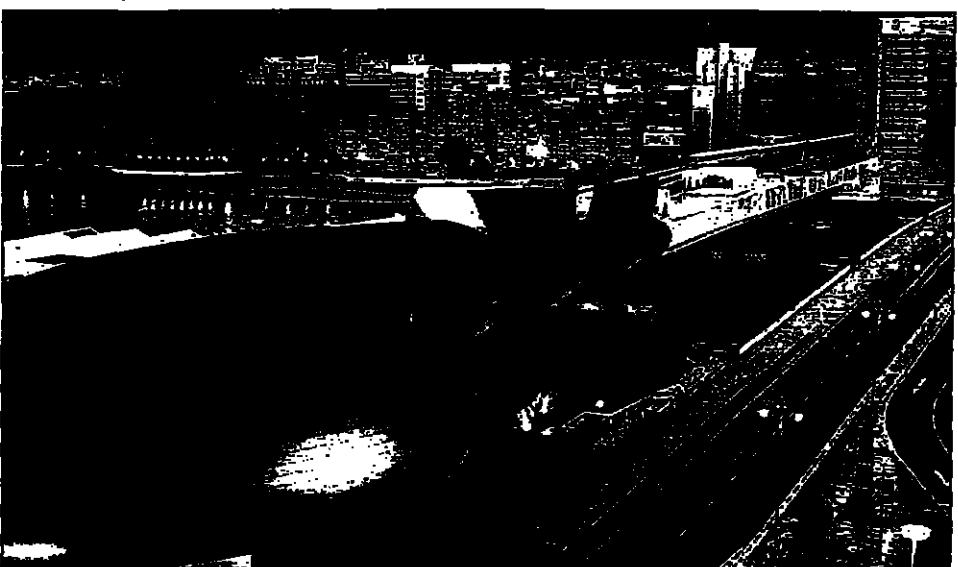
He added: "It is well-known that I wish to see the River Thames, one of our most unused assets, playing a greater role in the life of London. This would be a bridge of confidence on which people would work, shop and live on the river itself."

The competition, sponsored by Thames Water, is a joint project between the Pompidou Centre in Paris and the Royal Academy. Jean Dethier, of the Pompidou Centre, whose research into habitable bridges inspired the project, said: "We are interested in the interdisciplinary approach of modern art and architecture and its ability to connect history with the present and the future. We are interested in the bridge as a non-segregational concept with a strong civic link."

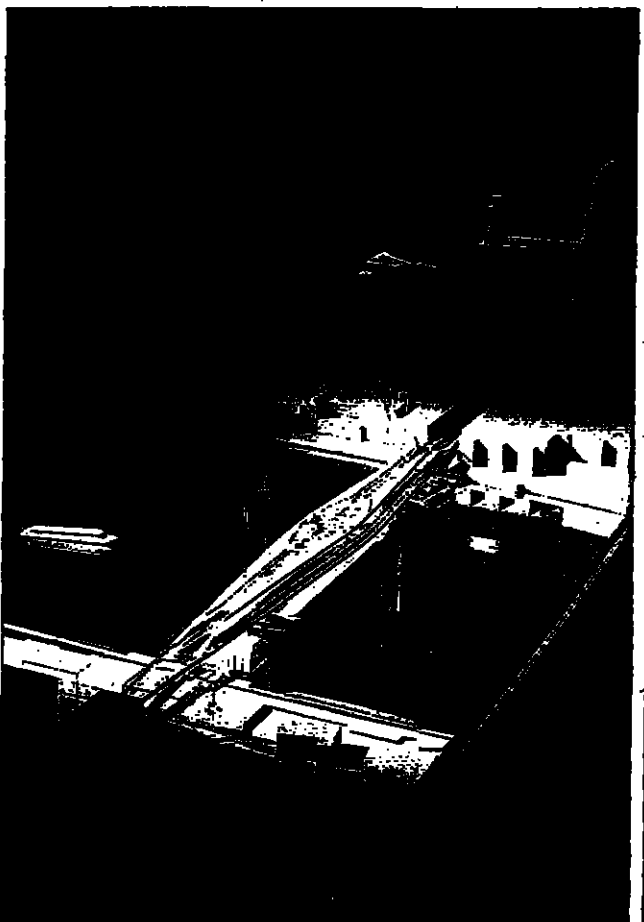
Entries include the German architect Daniel Libeskind and two British firms, Future Systems and Branson Coates. The exhibition is being designed by Nigel Coates, professor of architectural design at the Royal College of Art. Mr Coates said he was planning to run a river through the gallery just below eye level, so that visitors could see into the designs.



Uniting the capital: Nonsuch House was one of the many houses and business which straddled the old London Bridge



Bridging the city: Two of the contemporary ideas for the contest to build a bridge across the Thames. Left: Richard Hordern and Associates' proposal for the Gallery Bridge at Bankside and (right) Will Alsop's design which would provide a home for the Institute of Contemporary Arts next to Blackfriars



## 'Poor are poorer and rich richer'

A quarter of the population - 13 to 14 million people - live on less than half the average income, the Child Poverty Action Group said yesterday, writes Nicholas Timmins.

The figure is more than double the number in 1979: one in three children is growing up in poverty, while living standards of the poor and affluent are "marching in opposite directions" the pressure group said in the latest edition of its handbook, *Poverty: The Facts*.

From 1979 to 1992/3, the real income, after housing costs, of the poorest tenth fell by 18 per cent, while the richest tenth enjoyed a "staggering" 61-per cent increase. Britain saw a sharper rise in inequality than any developed country except New Zealand.

Far from wealth trickling down from the rich to the poor, figures from Economic Trends show household income has filtered up from the poorest sections of society to the richer ones, the CPAG said.

Even after redistribution by taxes and benefits, the poorest fifth saw their share fall from 9.5 per cent in 1979 to 6.6 per cent, while the share of the richest fifth has gone from 37 per cent to 44 per cent.

The report calls for fairer taxation, including a more progressive structure, to improve benefits for the poor, warning that policies which encourage privatisation of parts of Social Security and the means-testing of much of the remainder would "result in a general reluctance to finance social welfare".

ALAN MURDOCH  
Dublin

Irish sheep farmers are demanding helicopter support in attempts to track down two rogue collies with a taste for spring lamb, which are being blamed for killing up to 800 Donegal sheep.

Aerial surveillance is needed because ground searches of the Glencolumbkille area by dozens of farmers have failed to detect which local forest plantation the dogs are operating from. Marksmen from England and Northern Ireland have attempted to halt the slaughter by shooting the dogs, but without success.

The 42 affected farmers, who have formed their own watches to guard against renewed at-

tacks, are convinced from the frequency of the attacks that the animals are living wild.

"They are hiding in forestry and it is very difficult to get them," said Christopher O'Connor, local representative of the Irish Farmers' Association (IFA). "In other cases, where (domestic dogs) were returning home after attacks it was a bit easier to control them."

The dogs, apparently pets gone wild, began their killing spree in the peninsula west of Killybegs and Ardara last November. Many more sheep have been attacked or gone missing than have actually been eaten.

Mr O'Connor said with the almost daily killing the situation is becoming more urgent. "When they get a taste for it, their most savage instincts come

out. At the moment most of the sheep are down off the hills for lambing. But the farmers are running out of grass there, and want them back on the hills, so they are very anxious that the dogs are caught."

Farming sources say the problem is particularly acute in Spring with the birth of new season's lambs. Pastures filled with heavily-pregnant ewes or newly-born lambs provide an irresistible temptation to canine predators.

The economic consequences of attacks at this time of year for farmers are serious, the IFA stresses. "Killing of young lambs means the cash crop for the year is destroyed." Poor land quality means sheep and forestry are the only viable farming activities in the area.

## Alibi for assault takes court by surprise

A leading churchman accused of indecently assaulting a 17-year-old girl in his home was elsewhere when the offence was meant to have taken place, a court heard yesterday.

A special defence of alibi was entered for Professor Donald Macleod of the Free Church of Scotland, against the charge of assault.

The 55-year-old professor, who lectures in systematic theology at the Free Church of Scotland College in Edinburgh, denies a total of six charges of indecent assault involving five women which allegedly took place between 1985 and 1993.

Edinburgh Sheriff Court earlier heard a woman, who is now 28, describe how Professor Macleod assaulted her in his study in the last week of July 1985. But yesterday Andrew Hardie QC, defending, said that his client had been out of Edinburgh from 23 July 1985. He had been in Stormaway, in the Western Isles, with his wife and two of his sons and had not returned until 2 August.

The defence lawyer made a motion asking for a special defence alibi to be accepted by the court. He said that although such a defence should have been introduced before the first witness in the case gave evidence, there were special circumstances in this case because it was only under cross-examination that the witness had given a definite date for her complaint.

He pointed out that in the charge, the Crown said that the offence had taken place between 1 July and 31 August 1985 and he criticised the Crown for not getting a definite date from the witness when they were preparing her for the trial.

The deputy procurator-fiscal, Margaret Graham, for the prosecution, said it was too late to accept such a defence. But Sheriff John Horsburgh QC, granted the motion saying he was doing so "in the interests of justice". He added: "It appears to me that no fault can be laid at the door of the accused or those acting on his behalf for the situation". He said it was "unfortunate" that the Crown had not obtained a date for the charge before the trial.

The witness, who was the first in the case to have completed her evidence, may now be recalled.

Later yesterday, a 35-year-old lecturer in statistics gave evidence, denying that she was part of a conspiracy among members of the Free Church of Scotland to discredit Professor Macleod.

The woman, who claims that she was indecently assaulted by the professor on two occasions, told Ms Graham: "I have been willing to say what happened to me. I have not been part of a group of conspirators."

The witness also said that she had not previously heard of the Dorcas fund which was referred to in court on Monday by Mr Hardie, who said it had been set up to raise money to get people to give evidence against Professor Macleod. The witness said that only the Crown was paying her expenses to appear in court.

She added that "in an ideal world" the matter would not have come to court. But she had come to court because she was aware there were "patterns of behaviour" and she feared that Professor Macleod could assault another woman.

A third woman who has accused Professor Macleod of indecently assaulting her later confirmed to the court that a private fund had paid for her to travel from her home in Australia to give evidence. The 36-year-old had her ticket paid for by her by the Dorcas fund after the Crown refused to meet the bill for her expenses.

In court Mr Hardie produced a document which asked for contributions to meet the £1,500 cost of bringing over from Australia a woman who had complained about Professor Macleod. Any extra money raised would go to charity, the document said.

The trial continues today.

What's the connection between Newton and Great Falls?

NORTHWEST KLM

15000000



# Schools 'pushed into battle' over voucher scheme

FRAN ABRAMS  
AND JUDITH JUDD

Vouchers designed to expand private nurseries at the expense of state schools may have the opposite effect, campaigners said last night.

State primary schools are pressuring parents to withdraw their children from private nurseries and instead to bring them to reception classes at the age of four.

Parents of four-year-olds in Westminster, Kensington and Chelsea, Wandsworth and Norfolk have been given £1,100 vouchers which can be exchanged for a place at a private school, a state school, or at a playgroup.

The scheme, one of the Prime Minister's favoured projects, is due to be introduced nationally in April 1997. But it now looks likely to cause embarrassment to the Government as Conservative local authorities fight back with aggressive publicity campaigns aimed at keeping children in the state sector.

Wandsworth has spent £3,000 on advertising its services.

Instead of giving extra mus-

cle to the private sector the scheme looks likely to weaken the sector's position, with parents being forced to move their children into state schools to secure their places.

The voucher scheme was designed to lead to the setting up of new private nurseries, but most of the expansion will probably be in primary school reception classes. In Norfolk the Government has paid for 16 local authority nursery units.

Yesterday the Department for Education and Employment said it was too early to say whether any new private nurseries had been opened as a result of the scheme.

Experts say that a reception class is no substitute for nursery education, which must have a qualified teacher for every 13 pupils while there is no limit on primary classes.

Susan Hay, owner of a string of private nursery schools and chair of the Childcare Association, said that the Government had forced unwelcome competition on to schools.

"We have been pushed into battle as a result of the voucher scheme, and it's a battle

that doesn't need to happen," she said.

As for suggesting that parents have more choice, it's a load of baloney. They are going to opt for a good primary school even if it means forfeiting their child's early years in order to get them a place for later," she said.

State-school heads also criticised the scheme. Michael Garratt, head of St William's primary school in Norwich, and the Norfolk secretary of the National Association of Head Teachers, said his school had always taken children without funding at the beginning of the year in which they were five but others would now do the same.

"There's going to be a financial advantage for all schools to take children in the year in which they are five," Mr Garratt said.

A spokesman for the Department for Education and Employment said vouchers gave parents more choice.

Ministers expect that there will be expansion over time in the state, private and voluntary sectors," he said. "State schools have nothing to fear. There is no need for blackmail."

## Tradition stands tall in hop garden



Walking tall: David Leppik, vice-chairman of the Friends of the Museum of Kent Life, at Maidstone, tends hops in the traditional way, using shifts to tie coconut string to wires for the plants to grow up. Photograph: Matthew Richardson

## 'Copycat' cancer therapy goes on trial

LIZ HUNT  
Health Editor

Clinical trials have begun on a new approach to treating cancer, using "copycat" molecular blockers to stop tumour cells multiplying, scientists said yesterday.

Patients suffering from different cancers will initially take part in the trials at the Western General Hospital, Edinburgh, to test the potential of the new therapy.

However, one form of lung cancer, small cell lung cancer or oat cell carcinoma which is responsible for 25 per cent of all new cases in the UK, is the real focus of the trial. Initially responsive to drugs, the cancer returns in all but 5 to 10 per cent of patients and is usually resistant to drugs the second time.

Professor John Smyth, director of the Imperial Cancer Research Fund's Clinical Oncology Unit at the hospital, said yesterday: "We desperately need entirely new approaches if we are to make major differences for patients with a number of types of cancer—particularly the common types."

The trial is the culmination of a 15-year research project by scientists at the ICRF who have shown that molecules known as neurotrophins are potent growth factors. They dock on to the receptor sites on the surface of some cancer cells and stimulate cell growth, sending signals which override healthy cell controls which limit multiplication. Some cancer cells even make their own growth factors to accelerate the process further.

Dr Enrique Rozengurt, from the ICRF's London laboratory, said: "What we have done is discovered ways of blocking these growth factors using antagonist lookalikes which themselves dock onto the receptors, getting in the way of the growth factors. We have identified a group of antagonists which can block every type of growth factor with a particular type of signal."

The scientists are hoping that chemotherapy followed by growth factor blockers will be a more effective treatment for small cell lung cancer. By the end of the decade, Professor Smyth said, scientists will know if they have made a breakthrough in treatment for this type of cancer.

There are 42,300 new cases of lung cancer each year, of which 10,000 are of small cell lung cancer. The Phase 1 trials in Edinburgh will determine the safety and efficacy of the new therapy, and the appropriate dose.

## BBC 'biased' towards Tories

MARIANNE MACDONALD  
Media Correspondent

More than one-fifth of television viewers believe the BBC's coverage is biased toward the Conservative Party, a survey by the Independent Television Commission reveals today.

Although the public service corporation is required to be impartial under the terms of its charter, 21 per cent of viewers felt that BBC1 unfairly favoured the Tories and a further 15 per cent said the same of BBC2.

Only 7 per cent said ITV was biased toward the Conservatives and just 3 per cent thought it was the case with Channel 4.

By contrast, 7 per cent felt BBC1 showed bias towards the Labour Party and only 4 per cent said the same of BBC2. Seven per cent also believed ITV and Channel 4 unfairly favoured Labour.

The findings are part of an annual poll of 1,000 viewers, carried out last year by the commercial television regulator, which is required by the 1990

Broadcasting Act to research public opinion.

The overwhelming perception of bias towards the Conservatives, especially on BBC1, will add pressure to the corporation in the run-up to the general election.

It set up a political monitoring unit last year after attempts by Alistair Campbell, Tony Blair's press secretary, to ensure the Labour leader's keynote speech at the party conference was the lead news item over the OJ Simpson murder verdict.

Viewers also spoke out about the bias against different professions and groups of the population they believed that all the terrestrial channels showed in their news and current affairs programmes.

They thought most bias was shown against single parents (27 per cent) with the unemployed (24 per cent) and trade unions (23 per cent) close behind. The disabled were also on the list (16 per cent), as were social service employees (18 per cent) and women (11 per cent).

## Three deny student's murder

Three young men pleaded not guilty yesterday to the murder of 18-year-old Stephen Lawrence at the start of a private prosecution brought by his parents.

Neil Acourt, 20; Luke Knight, 18, and Gary Dobson, 20, all of Eltham in south-east London, appeared at the Old Bailey charged with murdering the A-level student, who was stabbed to death on 22 April 1993. The trial is expected to start later this week.

Neither Mr Lawrence's father Neville, 52, a builder, nor his wife, Doreen, would comment as they arrived at court. It is believed to be only the fourth private prosecution for murder in 130 years.

Mr and Mrs Lawrence brought a private case against the men after initial proceedings against two people were dropped by the Crown Prosecution Service in 1993.

The Stephen Lawrence Campaign is raising legal funds and the case will be headed by Michael Mansfield QC.

## 'Porn video' firefighter loses sacking claim

A firefighter lost his claim for unfair dismissal yesterday after he was sacked for making a hard core pornographic video which included jokes about the fire service.

Mark Gregory, 26, was sacked for gross misconduct last August from Nottinghamshire Fire and Rescue Service after copies of the video were shown in at least five fire stations across the county.

In the hour-long film Mr Gregory, who was married at the time, is heard telling his girlfriend, Janine, "What do you think of firemen now?" and "This one's for Red Watch".

The Nottingham tribunal heard that Mr Gregory, who

served with the brigade for more than eight years, made the film in a hotel room in West Bridgford, Nottingham, in March last year.

He claimed the video was for private use only, although he admitted in the hearing yesterday he had passed a copy to a friend. "It was just a light-hearted thing, in my own time. She [his girlfriend] was quite excited that someone else might be watching it. I told her that other people might watch it."

Mr Gregory said he covered up for colleagues when he was interviewed by senior fire officers. "I am trying not to get any other fire officer implicated. I am trying to save my job. I am

a blue-eyed boy and a high-flier and the next minute I am looking at losing my job."

"My head was spinning. You are fighting to protect other people and to protect yourself at that stage. I have lost my job, lost my wife and I was in complete turmoil and, yes, at that stage I put my colleagues first."

But the fire service argued that he was guilty of gross misconduct and had distributed the video, committing a criminal offence. He was dismissed.

Mr Gregory, of Nuthall, Nottingham, was cautioned by police after the video was discovered, but was not charged. The tribunal chairman, Derek Richards, said: "He must have realised that the consequence of asking anybody else to make copies of the video was that it was likely it would be seen by others. We find it was gross misconduct."

## Army offensive averts a recruitment crisis

CHRISTOPHER BELLAMY  
Defence Correspondent

A potentially "catastrophic" shortage of recruits which would have made the British Army operationally ineffective has been averted by urgent government action, it was disclosed yesterday.

General Sir Michael Rose, the Adjutant-General—the Army's head of personnel—said that if swift action had not been taken to halt closures of high-street recruiting offices and induce soldiers to stay on, the Army would within a few years, have been 20,000 short of its authorised total of 90,000 trained soldiers. The shortage, mostly in infantry, armour and artillery, would have made it "incapable of fulfilling its defence roles".

As Sir Michael addressed a

conference in Whitehall on the "Ethos and Image" of the British Army, MPs heard that black people were deterred from joining up because of a perception of "institutional discrimination". The House of Commons Armed Forces Bill Committee heard more evidence from the Commission of Racial Equality.

Both Purkiss, who led a recent inquiry into allegations of racial inequality, said he doubted the time allowed for implementation of the recent "action plan" agreed between the CRE and the MoD could be implemented in the time allowed.

Perceptions of racism are one of a number of factors discouraging recruits. The Army's image was also dented recently by the killing of Louise Jensen by three drunk British soldiers in Cyprus. Although the

recruits shortage has been averted, the Army needs to attract 15,000 soldiers this year and 17,000 in each of the following two to three years.

Public perception is crucial to recruiting. The conference heard that 43 per cent of recruits come from broken homes and that mothers play an even more important role in influencing them for or against the Army.

Sir Michael said the fall in numbers was due to abandoning junior entry and to rapid closure of recruiting offices. The Army wants to reintroduce the schemes for junior leaders and junior soldiers, abolished in 1992, to help maintain numbers generally and provide a cadre of future sergeants and sergeant-majors. Bonuses of £1,000 to induce soldiers to stay on an extra year had also been effective in staunching the loss.

What's the connection between Phoenix and Ash?



## DAILY POEM

The Arm

By Steven Blyth

The amputation to stop the spread failed. They gave him, at best, six weeks. A goblin sits on my stump," he said. "It tells lies, makes me reach for books And things with air. That chaplain is just The same when he perches on my bed To preach, promising I'll exist Afterwards." When I found him dead The gardener was burning heaps of leaves. Some caught the breeze and blew away, Blackened. The chaplain's poor eyes Stared through his thick glasses. "Today," He said later, "I saw ravens. They flew near the fire in the gardens."

Steven Blyth was born in 1968 and lives in Bolton. In 1994 he was awarded an Eric Gregory Award from the Society of Authors. This poem is taken from his first collection, *The Gox*, published by Redbeck Press at £3.75.

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## Women-only car park 'unfair to men'

Britain's first women-only car park looks set to be closed because it is unfair to men. The Equal Opportunities Commission wants the parking scheme at Exeter in Devon scrapped because it is said to be a form of discrimination against men.

Exeter City Council opened the first all-female section of its King William Street car park to encourage women on their own to venture into the city centre at night. Within hours of the opening, a complaint was sent to the commission and the council has been told it is breaking sex discrimination laws.

The scheme is only voluntary with no sanctions against men who park in the reserved places and signs read: "Kindly leave these spaces vacant for women motorists". But the commission says that under the 1975 Sex Discrimination Act public services must be offered to men and women on an equal basis.

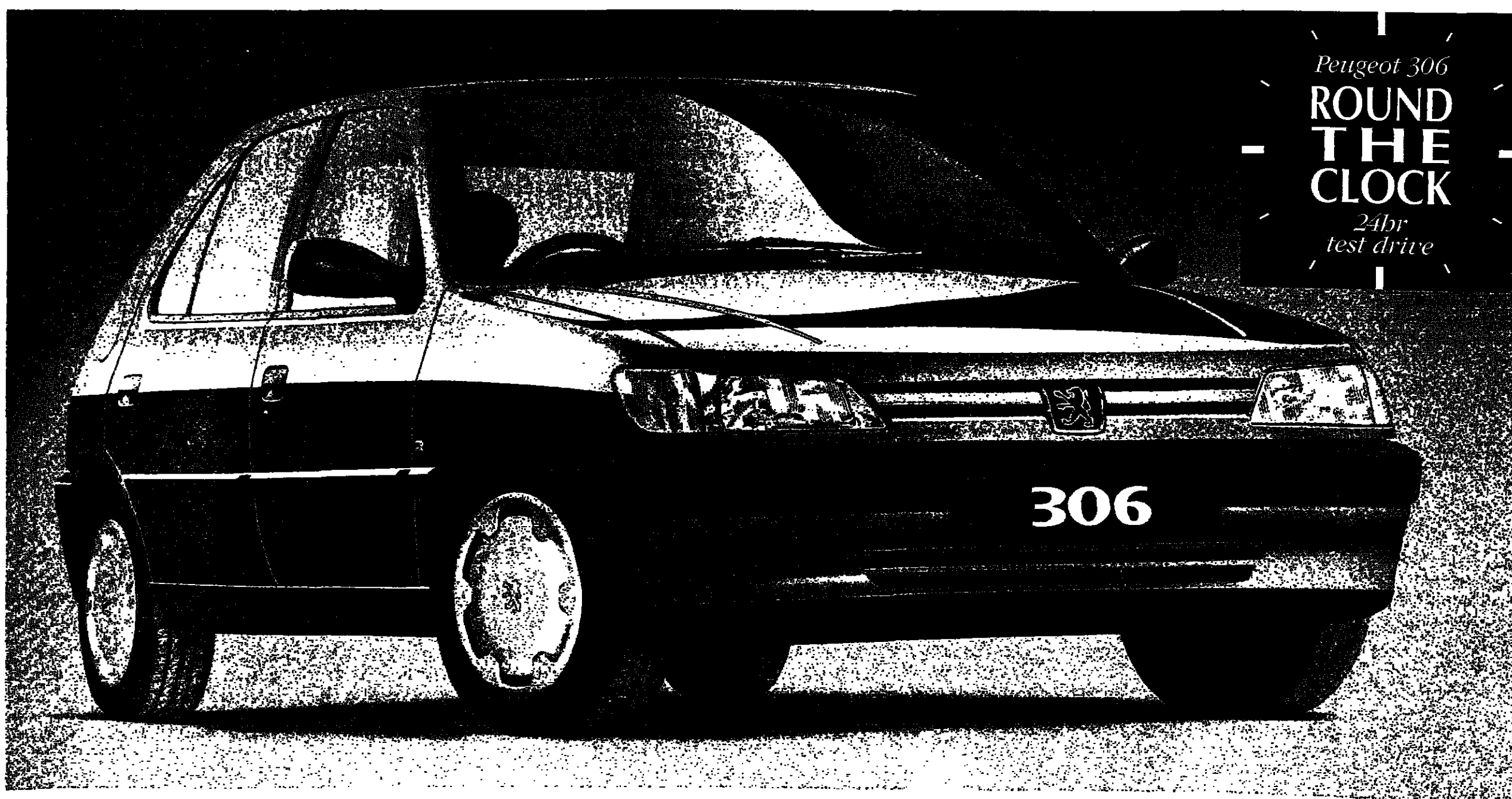
The 10 spaces are near to the exit, so it is quick and easy for drivers to reach their cars. It is also well lit and security cameras give women drivers more protection.

But the scheme has come in for criticism from the group it seeks to help. Some women fear it may attract potential attackers.

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Life on the streets: Charity fears new Housing Bill will worsen plight of the under-25s

## 'Vulnerable young' are forced out of homes

GLENDA COOPER

More than eight out of ten young people who leave home are forced out due to factors such as abuse and family breakdown, according to Centrepoin, the charity for the homeless.

Unlike in the Eighties when people left home voluntarily to find work, the first nationwide picture of homeless young people in 1996 is one of "highly vulnerable, very young people struggling actively to overcome hardships", according to the survey, which questioned more than 7,500 people, over 5,000 of which were under the age of 25.

The charity fears that the new Housing Bill - which is passing through the committee stage and proposes removing local authorities' duty to provide permanent housing for the "statutory homeless" - will make the situation even worse.

"Changes to Government policy look set to worsen youth homelessness," Victor Adebowale, chief executive of Centrepoin, said.

"Proposed restrictions on housing benefit will leave more young people at risk. Efforts to help young homeless people continue to be hampered by the confusion of housing and social services using different legislation. And the Housing Bill is proving so far to be a missed opportunity to make housing legislation and the Children Act work coherently to protect young people at risk."

In 1987 "pull" factors, such as moving to find work or needing to establish their independence, were given as reasons for leaving home by more than half those surveyed. By 1994-95 only 14 per cent cited such factors. The report, *The New Picture of Youth Homelessness* in

Britain, says the problem is not just limited to London anymore, but is a national issue.

The study looked at six centres around the country and found that nearly 3,000 young people were monitored in Dorset, in Bournemouth, Poole, Christchurch and Purbeck. Similarly, the Simon Community in Northern Ireland saw 2,044.

Nearly four out of ten people arriving at Centrepoin - which caters for those between 16 and 25 - were 17 years or younger and 48 per cent were either black or from ethnic minorities. This compares with a 5.5 per cent overall proportion of the population belonging to ethnic minorities.

While three-quarters were actively seeking employment, only about 1 in 20 had any sort of work, although 61 per cent had gained some kind of qualification. More than four in ten had no income whatsoever on arriving at Centrepoin.

Large numbers of young and vulnerable people were still found to be sleeping rough before they make their way to a hostel. One-third reported living that way before going to Centrepoin.

Many young people may find it difficult to be accepted as officially homeless because they have to be proved "vulnerable", the report said, and social services operate different criteria to assess vulnerability.

Centrepoin also says that measures in the last Budget restricting housing benefit to under-25s to the local average "single room rent" will limit the already restricted choice of private-sector accommodation available. Its report calls for housing benefit for young people to be the same for those over 25, and for a national strategy to tackle youth homelessness.



Roughing it: A young man at Waterloo, south London. Centrepoin warns on youth homelessness

Photograph: Philip Meech

## Poll defeat puts Major on sticky wicket

John Major yesterday declared himself dug in for the political equivalent of a record final wicket stand as Tony Blair exploited the Conservatives' humiliation in the South East Staffordshire by-election.

With Brian Jenkins, the man who cut Mr Major's majority to just one, waiting in the wings to take his Commons seat, the first Question Time after the Easter recess was a romp for Labour.

Mr Blair repeatedly pressed the Prime Minister to explain the defeat then supplied his own answers - "People don't trust the Conservative Party any more" - while Mr Major failed to make much capital out of Labour's mixed messages on tax.

Clare Short, the Shadow transport secretary who dared to speak her mind, was on the Opposition front bench for the exchanges. Mr Major mischievously welcomed her to the chamber, saying he was delighted she had been "untied and engaged" but went easy on her suggestion that those on £34,000-plus should pay more to the Exchequer.

Mr Blair said the underlying reason for last Thursday's by-election defeat was that people did not trust the Tories on railways, on tax, or on the health service - "and the sooner they get the chance to say so loud and clear the better for Britain".

Tory backbencher Geoffrey Clifton-Brown asked Mr Major about an article in the *Sunday Express* newspaper claiming Mr Blair had told journalists that the top rate of tax would be raised for those on £30,000.

The figure was then raised to £40,000 and subsequently denied altogether by Labour spin doctors, Mr Clifton-Brown said. But this gift was snatched from the Prime Minister's hands by Speaker Betty Boothroyd with a reminder that questions should be related to Government policy. Miss Boothroyd ruled out any answer.

It was left to former Tory cabinet minister Peter Brooke to offer Mr Major a refuge in an analogy from his favourite world of willow and leather.

"Does the Prime Minister take encouragement from the fact that this summer at the Oval will see the 50th anniversary of the longest and largest stand for the last wicket in the history of English cricket?" asked Mr Brooke.

A Surrey supporter, Mr Major said he was aware of the anniversary. "I look forward certainly at the Oval to seeing many performances like that by Surrey, perhaps by England. And I have absolutely no doubt that politically we will see their equivalent."

Fortunately for the cheering Tories, nobody on the Opposition benches had a *Wisden* to hand.

### Inside Parliament

Stephen Goodwin

The record last wicket stand of 249 at the Oval in 1946 was scored by the opposition - by CT Sarwat and SN Banerjee playing for India against Surrey.

Labour was at least rattled during the second reading of the Broadcasting Bill as Virginia Bottomley highlighted the party's U-turn on cross-media ownership rules. Labour had lurched from "paranoid terror" to "sycophantic devotion" to media groups, the Heritage Secretary said.

The Bill eases restrictions on cross-media ownership and paves the way for digital television in Britain, but Mrs Bottomley said there was no commonsense justification for moving at one bound to wholesale deregulation.

Both the Mirror Group and Rupert Murdoch's News International are excluded from control of ITV companies, because each has more than 20 per cent of national newspaper circulation. But Lewis Moonie, Labour's broadcasting spokesman, has argued for an end to thresholds.

## Unions hand 'shopping list' of demands to Blair

BARRIE CLEMENT  
Labour Editor

In the wake of his successful charm offensive among American business leaders, Tony Blair was yesterday handed a "shopping list" of demands by the big unions. Above all, the Labour leader was urged in the first year of government to toughen up proposals to give unions rights to recognition for collective bargaining.

Davey Hall, president of the moderate Amalgamated Engineering and Electrical Union, called for a Blair administration to force employers to recognise unions where a majority of workers wanted it. So far,

Labour policy only envisages legislation to grant negotiating rights where more than half the workers belong to a union.

Mr Hall told the Scottish Trades Union Congress annual congress in Edinburgh that unions often found it impossible to recruit employees if there was no recognition in the first place.

The big unions have already made their views clear in the private "contact group" of Labour politicians and union leaders, but yesterday was the first time the demand was made public.

Labour's union affiliates, which command half the vote at policy-making conferences, regard the issue as critical. Mr Hall told the 500 delegates:

"If we only get one piece of progressive legislation, it should be the right of recognition of bargaining and representation."

A Labour government should also abolish or drastically reduce the qualifying period for claiming unfair dismissal. "It is this injustice that has contributed more than anything else to the current culture of the disposable worker and the zero-hours contract," Mr Hall said.

Bill Speirs, deputy general secretary of the Scottish TUC, said that in its first year a Blair government should legislate to establish a Scottish parliament. There should also be an emergency programme to create 80,000 new jobs in Scotland.

## Ashdown opens poll campaign

Paddy Ashdown pre-empted moves by the two main parties by launching the Liberal Democrats' local election campaign yesterday, brushing aside the idea that he might be squeezed by Tony Blair's move to claim Labour as a "party of the centre", writes John Rentoul.

Mr Ashdown said: "I entirely welcome the fact that the Labour leader thinks his party ought to be a party of the centre." But he dismissed both the idea that Labour councils such as Liverpool were of the centre, and the threat from New Labour.

"If they were going to squeeze us they would have squeezed us last year, and they didn't." At last year's elections, Lib-

eral Democrat fears - revealed in a leaked internal memo - proved too pessimistic, as the party gained 500 seats to become the second-largest in local government. But Labour still achieved their best ever result, gaining 1,800 seats. In the memo, the Liberal Democrat councillors' leader, Andrew Stunell, admitted: "Labour are currently the 'natural' home of dissident Conservatives."

This year, on 2 May, fewer seats are at stake, and Mr Stunell has only predicted gains of only 50-100 seats. Mr Blair and Michael Heseltine, the Deputy Prime Minister, launch the Labour and Conservative campaigns today.

## Labour leadership to press on with mayors

DONALD MACINTYRE  
Political Editor

Tony Blair, the Labour leader, will today give an unmistakable signal of his intention to go ahead with plans for big-city mayors - including one for London - after overcoming opposition within his own party.

Mr Blair has won over sceptics, widely believed to have included his environment spokesman, Frank Dobson, and will today say he regards the idea of directly elected mayors as a key way to revive local democracy.

Although he has floated the idea before it was only briefly mentioned in the document on London published by the party

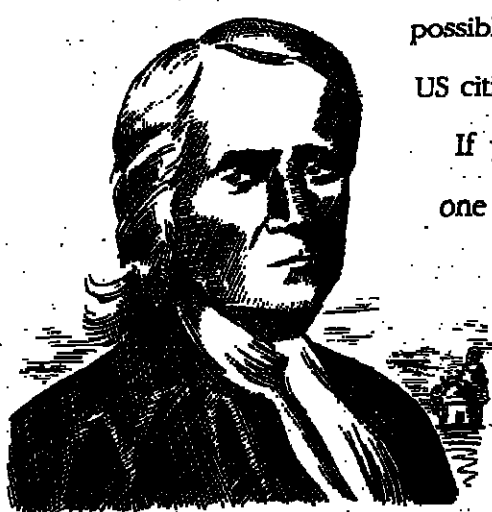
last week and there has been strong opposition from some council leaders. Mr Blair will now go significantly further in his speech to a conference on the future of the capital in making it clear that he wants the idea fully developed in time for inclusion in the general election manifesto.

The idea comes in the wake of leaks suggesting that at least one government minister has become converted to the idea of a wider elected authority for London. In a letter to the Downing Street Policy Unit, the minister proposes that the wealthy City of London Corporation - which Labour would preserve - should disappear under plans for a new central elected authority.

Two ministers with London constituencies have denied writing the letter. But according to the leak the anonymous minister has broken ranks with Tory policy with proposals to counter Labour's plans, saying they would "give us something fresh and... refresh our commitment to local government".

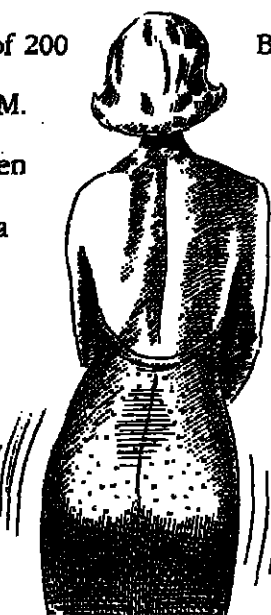
A new call for Labour's plans for Scottish devolution to be ratified by a referendum is made by the left-of-centre Institute of Public Policy Research today. The IPPR also calls for the number of Scottish Westminster MPs to be reduced and Secretary of State for Scotland to be abolished in return for the creation of a Scottish Parliament.

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## international

Korean conundrum: North rejects four-nation conference aimed at bringing 'permanent peace' to peninsula

## North Korea insists it will only talk to US

RICHARD LLOYD PARRY  
Tokyo

North Korea appeared last night to have rejected a US-South Korean proposal for four-nation talks aimed at bringing about a permanent peace on the peninsula.

Hours after the announcement of the joint initiative by the South Korean President, Kim Young Sam, and President Bill Clinton, the North Korean ambassador to Moscow said his government did not need any mediators, and that it was prepared to negotiate with the United States alone.

"At present other countries have no role to play in this area," Song Sung Pil was quoted as saying. "There is no need for an international conference on this question."

The proposal, for a conference involving China, the US, and the two Koreas, emerged from a summit on the South Korean island of Cheju, where Mr Clinton stopped en route to more talks in Japan and Russia.

Emphasising that "the establishment of a stable, permanent peace on the Korean Peninsula is the task of the Korean people", an announcement by the two presidents none the less called for a government-level meeting between representatives of the four



Go home, Bill: Demonstrators in Tokyo protesting at Mr Clinton's Japan visit, which began last night. High on the agenda will be security issues. Photograph: Reuters

countries, "as soon as possible and without preconditions ... aimed at achieving a permanent peace agreement."

The Kim-Clinton summit had originally been intended as little more than a handshaking session, but was upgraded after an interlude 10 days ago when North Korean troops made three illegal incursions into the demilitarised zone which divides the peninsula.

Pyeongyang has been pressing for a direct treaty with Washington to replace the military armistice which ended the Korean War of 1950-53, a prospect which terrifies Seoul.

Mr Clinton rejected that option yesterday but the meeting raised the possibility of a four-way deal, involving all the main combatants in the war.

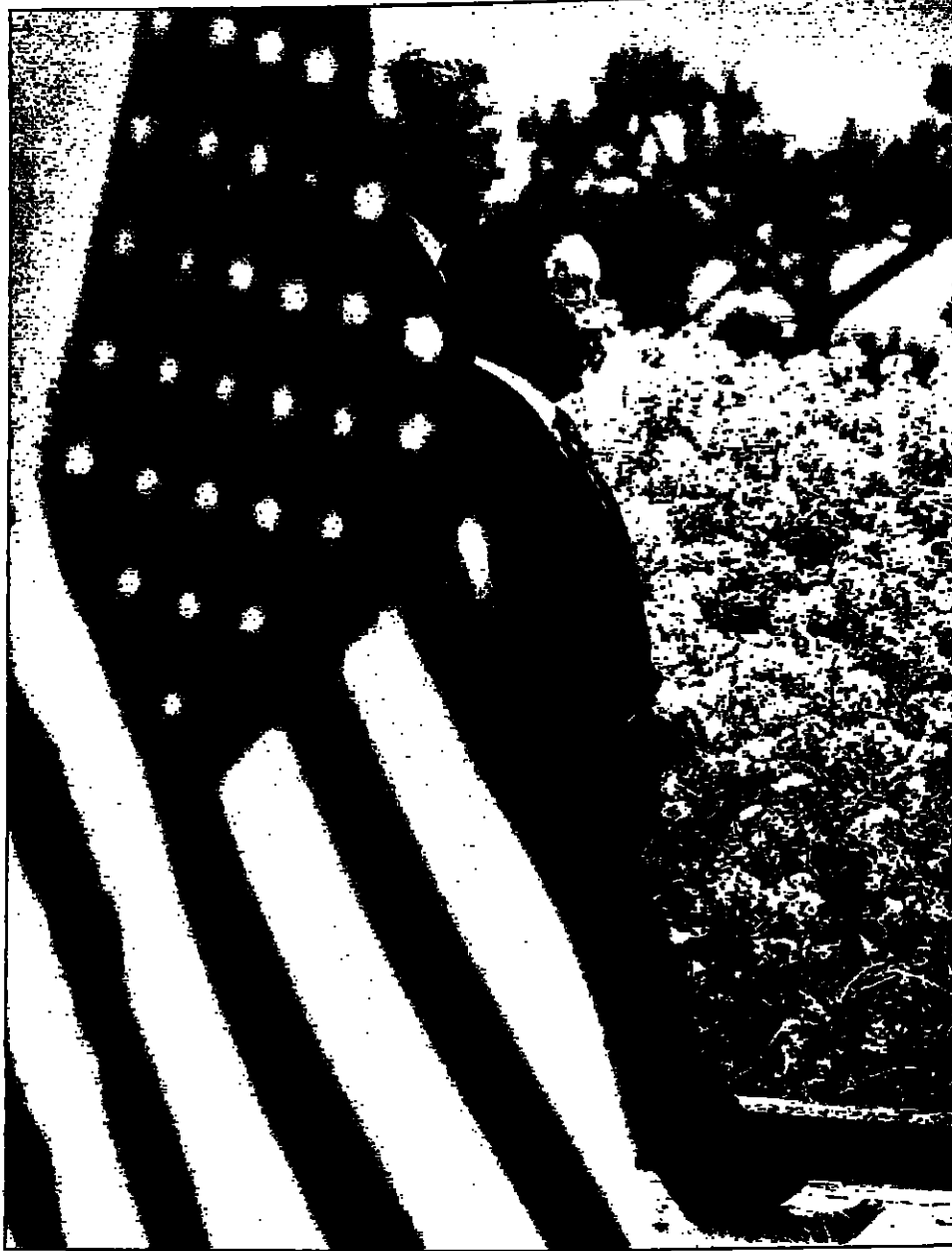
It met with a cautious welcome from Peking. "We have taken notes of reports on the four-way talks," said Shen Guofang, a spokesman for the Chinese Foreign Ministry, before the North Korean statement. "What I can stress is that we hope peace and stability can be maintained and that China will play a constructive role."

Despite political uncertainty, a crumbling economy, and food shortages, Pyongyang has consistently rejected peace talks with the South. The last time they were floated was in 1994, but the idea fell through after the death of Kim Il Sung, North Korea's founding president.

Soon after, Pyongyang provoked a crisis when it refused to admit inspectors to an atomic-energy plant which was suspected of generating weapons-grade plutonium.

An international consortium formed to supply safe nuclear reactors to Pyongyang included South Korean officials but apart from these low-level technical contacts there has been no official dialogue between the two sides. Even before North Korea's rejection, South Korean and US officials were warning that the North was unlikely to leap at the proposal, which will doubtless be discussed on the Japanese and Russian legs of Mr Clinton's tour.

Last night he arrived in Tokyo for a two-day visit intended to address the troubled US-Japan Security Treaty, a key component of American defence policy in Asia. Since September, when a girl was raped by US troops on Okinawa, there have been demands in Japan for a cut in US bases. On Monday the US Defense Secretary, William Perry, unveiled a plan to reduce military facilities in Okinawa by up to a fifth.



Peaceful intentions: Bill Clinton and the South Korean president, Kim Young Sam, on their way to a press conference on the island of Cheju. Photograph: Gregg Newton/Reuters

## Gaddafi overtures cut no ice with White House

RUPERT CORNWELL  
Washington

The US seems mightily unimpressed by a new offer from the Libyan leader, Muammar Gaddafi, to permit international inspection of a suspected chemical-weapons plant near Tripoli, which Washington vows will never enter service, even if it has to use military force to prevent it doing so.

In a CNN interview marking the tenth anniversary of President Ronald Reagan's bombing of the Libyan capital, Col Gaddafi denied that the site, in-

side a hill at Tarhuna, 35 miles from the capital, was being developed as a secret, well-nigh invulnerable site to manufacture chemical and biological weapons.

The US had produced no concrete evidence to support its claims, he said. None the less, Libya was ready to permit international experts to examine the site, albeit under certain conditions which Col Gaddafi would not specify.

But such equivocation will not satisfy Washington which, despite some scepticism from allies including Egypt and France, has gone to unusual lengths to

single out Tarhuna as a menace to global security — complete with a warning by William Perry, Defense Secretary, that the US was prepared to attack the plant if necessary to prevent its completion. This is likely within 12 to 18 months, according to intelligence estimates here.

Although Pentagon officials say the US will first seek to halt the plant by diplomatic means, they leave no doubt that the military threat is real. Countering claims that, short of nuclear weapons, the Pentagon had no means of knocking out so well protected a target, they point to

ground-penetrating bombs like the 5,000lb GBU-28, said to be capable of piercing 100ft of soil or concrete 22ft thick.

Washington, moreover, has attacked Libya before, as the setting of the interview underlined. The Libyan leader spoke in the ruins of his house destroyed when F-111s bombed Tripoli on 16 April 1986, in reprisal for an attack at a Berlin nightclub which killed two US soldiers. Mr Reagan said the US had firm evidence of "direct" Libyan responsibility.

More details of Tarhuna emerged at a Pentagon briefing

last week on chemical-weapons proliferation, including an artist's impression of the site based on satellite photos. It shows a partially excavated and terraced desert hillside, with roads leading to tunnels bored into the foot of the mountain.

Once complete, officials say, Tarhuna will be able to produce 110 tons of poison and nerve gases over three years, as much as at Rabta, a previous suspected Libyan chemical-weapons plant that was closed after a fire in 1990. "We have absolutely no doubt... the new facility is intended to make

chemical weapons," Patrick Hughes, head of the Defense Intelligence Agency, said.

But domestic politics also play a part. Anxious to fend off Republican criticism that he is neglecting defence, Mr Clinton wants to show his administration is responding to the new challenges of a post-Cold War world, above all to the threat posed by proliferation of weapons of mass destruction.

Even so, Col Gaddafi spoke almost warmly of him in the interview, calling Mr Clinton "a man of peace", unlike his predecessors in the White House.



Gaddafi responds to questions on an alleged chemical facility in Libya during an interview with CNN News on Monday

## IN BRIEF

## Germany abandons personnel mines

Bonn — German armed forces will abandon the use of anti-personnel landmines and gradually abolish their stockpiles to set an example for other countries, officials said yesterday. Government sources said Defence Minister Volker Rühe hoped the move would lend momentum to a United Nations conference resuming next week that aims to curtail use of the weapons that indiscriminately kill or maim more than 25,000 people a year. *Reuter*

## Plea to President

Nairobi — As internal rivalries plague Kenya's legal opposition parties, leaders of the Safina party, formed 10 months ago, urged President Daniel arap Moi to help legalise their group. There has been no official explanation why authorities have not registered Safina, whose interim secretary general is paleontologist Richard Leakey. *AP*

## Liberian clashes

Monrovia — Gangs of youths, some armed with grenade launchers, advanced towards barracks in the centre of the Liberian capital where ethnic Krahn militiamen are holed up. Machine-gun fire echoed around the Barclay Training Centre complex, where up to 20,000 are trapped. *Reuter*

## 'Tunnel gangsters'

Berlin — Six men known as the "tunnel gangsters" went on trial on charges of stealing 16.3m German marks (£7.3m) from a Commerzbank branch in Berlin on 27 June last year. The robbers escaped through an 80-metre tunnel they had dug over the preceding 18 months. *AP*

## Romanian elections

Bucharest — Romania's left-wing government yesterday set a 2 June date for nationwide local elections. Interest will focus on the capital where retired tennis star Ilie Nastase is standing for the ruling Party of Social Democracy (PDSR). *Reuter*

## Airport shooting

Jakarta — Indonesia's military opened an investigation yesterday into the killing of 10 soldiers and five civilians by an army officer who ran amok at Timika airport in Irian Jaya, a military official said. *Reuter*

## Israel remembers

Jerusalem — Israel came to a halt for two minutes to remember the six million Jews exterminated by the Nazis during World War Two. *Reuter*

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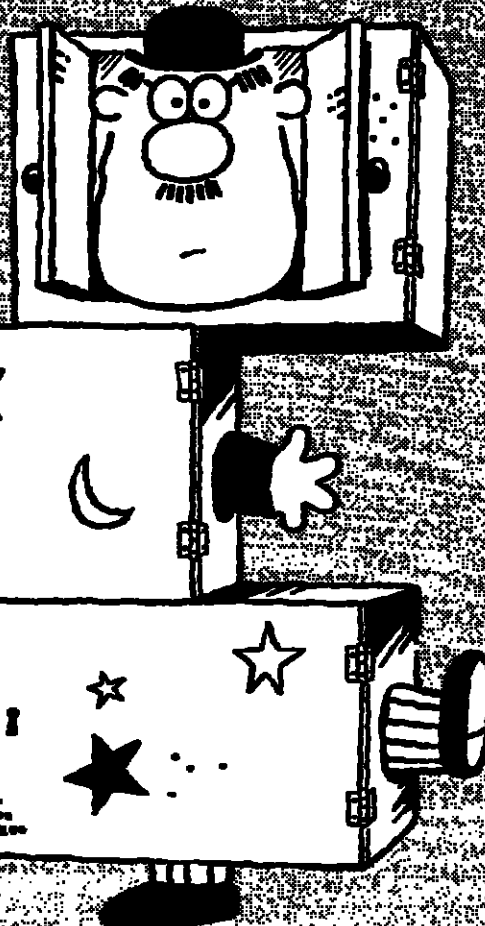
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10  
international

## When the truth is too hard to bear

Robert Block in Johannesburg witnesses a nation struggling to come to terms with its grief

ROBERT BLOCK  
Johannesburg

At one point yesterday, when a man's humiliation and pain filled the East London City hall to bursting point, Archbishop Desmond Tutu, the chairman of South Africa's Truth and Reconciliation Commission, simply laid his head on the table in front of him and began to weep uncontrollably.

When he finally stopped crying, he lifted his head, wiped his face and called a recess. It was the second day of commission hearings whose aim is to start a process of healing South Africa after the brutality of apartheid.

If the first day of the Truth and Reconciliation Commission's proceedings on Monday was marked by a swarm of international television cameras and witnesses' composure, then yesterday's hearings were notable for their surprising lack of media presence and for the tears that the testimonies of victims' mothers and wives generated.

Archbishop Tutu broke down at the testimony of Singok-

wana Malgas, who served 14 years at the notorious Robben Island prison, where he was often tortured. Asked to detail the tortures, he said: "I was always suffocated by a mask. Then there was the 'helicopter training' - they put a broomstick under your knees and then..." The man's face contorted at the memory, and it was more than the archbishop could bear.

He was not the only one to cry. Witnesses, onlookers, commission gofers and journalists all broke down at one time or another as the widows and mothers of apartheid activists laid bare their personal pain and loss to the world.

Sometimes the tears seemed to be contagious. A witness would start to sob and then a member of the audience would begin to cry. Soon the tears would spread like a bush fire, until it seemed like almost everyone in the room was weeping, wiping their eyes or trying to push a lump back down their throat. One foreign observer was overheard to remark: "This country is so traumatised. If one person is hurt, then so is everybody."



A young spectator arrives at yesterday's hearing of South Africa's Truth and Reconciliation Commission. Photograph: AFP

But reliving and relieving the pain of victims is what the Commission is all about. President Nelson Mandela's government of national unity set up the Truth Commission to reveal as much as possible of hitherto hidden abuses during the apartheid era in the hope that by doing so, the nation will be able to heal its conscience.

The first witness to testify was Ncediwe Mfeti, a cousin of Deputy President Thabo Mbeki, and the wife of Phindile Mfeti, a student at the University of Natal, who disappeared in 1987. She told the court how Phindile was placed under house arrest and then banned to the Transkei. She spoke of

her last conversation with him while he was at university; he had just bought a new pair of jeans that he was going to take to a tailor for alterations. That was the last she had heard from him. She described how, since his disappearance, she had desperately tried to fit together the pieces of the puzzle of her husband's disappearance.

When asked what she expected from the Commission, she replied that she wanted her husband's body. "Even if he was burned," she said in a whisper. "If only I could get a little bone or ashes that were his."

Toni Mazwai, 83, told the Commission that her son Siphwe was killed in a 1988 shoot-

out with police after he joined the armed wing of President Nelson Mandela's then-banned African National Congress. She cried as she explained that the police had kept the body for so long that it had begun decomposing and was beyond embalming when it was delivered to the undertakers.

Archbishop Tutu had to adjourn the hearings for 15 minutes to allow Nomonde Calata to compose herself. She had collapsed in her chair with a cry of anguish which hushed the packed assembly as she described the moment in 1985 when she first suspected her teacher husband, Fort Calata, had been killed by security

police. "Some friends came to my house to tell me I should not be alone at a time like this. I was only 20. I could not deal with it," Mrs Calata said before breaking into uncontrollable sobbing.

Speaking through a Xhosa interpreter, Mrs Calata said that when she viewed the body of her husband: "The dogs had bitten him very severely. I could not believe the dogs had already had their share."

Graeme Simpson, the director of the Centre of the Study of Violence and Reconciliation, said the outpouring of emotion was a positive thing. "What we are starting to see is a process of catharsis."

## KwaZulu inquiry to weigh fraud accusations

President Nelson Mandela and his Zulu rival, Chief Mangosuthu Buthelezi, yesterday agreed to form an all-party commission to investigate alleged fraud ahead of next month's local elections in South Africa's most troubled province, writes Robert Block.

The decision came amid accusations and countercharges of rigged voting rolls and political thuggery in KwaZulu-Natal.

Mr Mandela's African National Congress says it has evidence of massive fraud ahead of the 29 May local elections in the province which is ruled by Chief Buthelezi's Inkatha Freedom Party. According to Mike Sutcliffe, a leading ANC member in the province, between 30 and 60 per cent of names on rolls throughout the province are fraudulent. The ANC wants the polls postponed.

But Chief Buthelezi, who is also a junior partner and Minister of Home Affairs in Mr Mandela's Government of National Unity, rejects charges that Inkatha is behind any fraud and has threatened to pull out of the government if the polls do not go ahead as planned.

With some polls suggesting there has been a shift in urban areas of the province away from the ANC and to Inkatha, the chief has the scent of political victory in his nostrils and does not want to risk a delay. Chief Buthelezi could use an electoral boost in his province to strengthen his hand in his disagreements

with Mr Mandela over the question of provincial autonomy. But the charges of fraud and the accusations by non-governmental organisations that Inkatha has created vast "no-go" areas in the countryside for people who do not support Inkatha are such that other parties have also recommended that the polls be postponed.

The National Party of Deputy President FW de Klerk recommended a special commission to look into the matter, and Mr Mandela has accepted the plan. "I have decided to appoint a committee of all parties at parliament," the President said after talks with Chief Buthelezi in Cape Town. "That committee will investigate the allegations and I will act on the basis of their recommendations."

Mr Mandela said irregularities to be investigated included the registration of more than 70 people at one address and registration of voters at vacant lots. Asked if it was possible the elections might be postponed, Mr Mandela said: "They [the committee] may say there must be a postponement. I will listen to their recommendation."

Chief Buthelezi said he welcomed the decision to appoint the committee, but made it clear that if the vote were put off his party could still decide to pull out of the government.

According to one report yesterday, the situation is complicated because in many areas the ANC is also rigging voter lists.

## 'Scum' charge levelled at Sydney murder suspect

ROBERT MILLIKEN  
Sydney

There was a tense moment in Australia's backpacker murder trial yesterday when a friend of two British women described the man accused of killing them and five other hitch-hikers as "scum".

Pauline Vuleitch had just given evidence in the New South Wales Supreme Court about her friendship with Joanne Walters and Caroline Clarke, both 22, whose bodies were found in the Belanglo State Forest south of Sydney in September 1992, five months after they disappeared. Ms Walters had suffered multiple stab wounds and Ms Clarke had been shot 10 times in the head.

Ivan Milat, a 51-year-old road worker, has pleaded not guilty to charges of murdering the Britons, three Germans and two Australians. He has also denied a charge of kidnapping Paul Onions, another British

tourist, who identified Mr Milat in court three weeks ago as the man who abducted him and threatened him with a revolver on the road near the forest in January 1990.

As Mrs Vuleitch left the witness box she walked past Mr Milat in the dock. She turned towards him and said "scum". He did not respond.

Mrs Vuleitch told the jury of eight men and four women how she had met Ms Walters while travelling in Greece in 1990, before Mrs Vuleitch married. They became friends and travelled to Australia together the following year. On the night of Good Friday 1992, Mrs Vuleitch visited Ms Walters at her Sydney flat where Ms Walters and Ms Clarke told her of their plans to hitch-hike to Western Australia in search of fruit-picking jobs.

"It was the last time I saw Joanne," Mrs Vuleitch said. The two women disappeared af-

ter setting out from Sydney together the next day.

Earlier, Gillian Walters, Joanne's mother, was overcome with emotion and unable to give evidence. Choking back sobs as she entered the witness stand, Mrs Walters nodded as Mr Justice David Hunt, the trial judge, asked her if she would prefer to be excused.

Ray Walters, Joanne's father, said their daughter had left their home in south Wales for a travelling holiday with Mrs Vuleitch (then Reid) in Australia in May 1991. "She rang us every two weeks from Australia," he said. "She wouldn't go anywhere or change addresses without letting us know." The telephone calls stopped on the Wednesday before Easter 1992.

Caroline Clarke's parents, Ian and Jacqueline Clarke, of Hexham, Northumberland also gave evidence yesterday about their last contact with their daughter. The trial continues.

## Madonna with child

Budapest — The American pop star Madonna, who once said she would advertise for a man to father her child, is "deliriously happy", her publicist, Liz Rosenberg, said yesterday. The father is her personal physical trainer, Carlos Leon (pictured with Madonna) whom the 37-year-old met in New York.

Madonna is currently in Budapest, filming the screen version of *Evita*. Ms Rosenberg said Leon was a professional cyclist who had become Madonna's personal trainer, adding: "He also does a little acting and modelling."



Reuters

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# Israeli attack strangles Lebanon's rebirth

**Robert Fisk in Bselim on the destruction of a power-station recently restored with foreign aid after the civil war**

If anyone wants proof of the aims behind Israel's onslaught on Lebanon, they have only to drive along the broken road through the umbrella pines to the little village of Bselim. Just past the local monastery, the French and Swedish packing cases for the millions of dollars of new transformers still lie next to the smouldering wreckage of the power-station that had just been restored with foreign aid after its civil war damage. Bselim was a symbol of Lebanon's rebirth.

Until four Israeli F-16 fighter-bombers drove on it and in less than three minutes – destroyed £13m of equipment and cut Lebanon's power supply by up to a third for the next 18 months by firing 20 US-made laser-guided missiles into the plant. The great 150-kilowatt transformers were still burning yesterday as Mohib Itani, the director of Lebanon's generating board, the Electricité du Liban, walked with anger through the ruins.

"This is an act of sabotage," he said. "The Israelis want to bomb Lebanon back to the dark ages. No Hizbollah man has ever been here."

Mr Itani is right. Bselim lies in the Christian heartland of Lebanon, among a community which has often shown sympathy

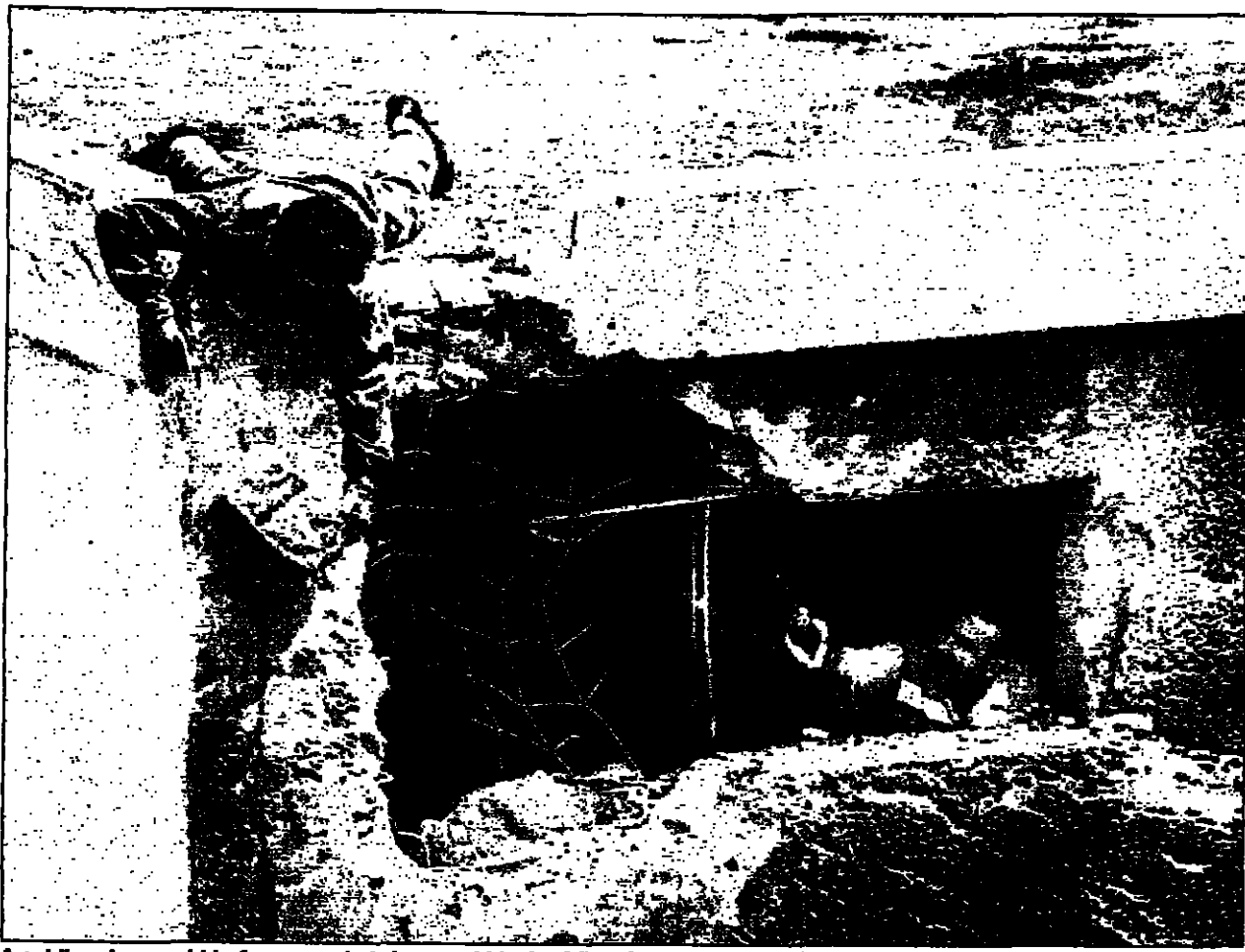
for Israel's cause and has no love for the Hizbollah. Israel claimed its attack on Monday was in retaliation for damage to "Israel's infrastructure" by Hizbollah rockets. In fact, Israel's infrastructure "damage" consisted of a broken power line to a single house in Galilee.

But the destruction of Bselim and the neighbouring sub-station at Jamhour has emasculated Lebanon's power supply. Mr Itani estimates total destruction, along with the bombing of electrical switching systems in the south and a third station in the Bekaa, as close to £54m.

"Do you really think this was done because the Hizbollah have been firing Katyushas [rockets]?" he asked, picking up a twisted piece of American missile fuselage as the burning silicone oil licked at the incinerated transformers. Each of them was installed to convert the 150 kilowatt lines from Lebanon's two power stations at Zouk and Jijeh into 66 kilovolt transmission to sub-stations across the country.

Two US-made missiles failed to explode and buried themselves instead deep in the earth and concrete around the station.

"This was done to attack Lebanon, to make us weak at



A soldier clears rubble from a rocket-damaged block of flats in northern Israel yesterday. Photograph: Jim Hollander/Reuters

the moment of our rebirth," Mr Itani said. A gateman at the station was wounded by shrapnel as the rockets exploded, devastating the home of the local plant director, Sulaiman Daher – one

of the very few to realise how the Israelis knew what to hit. "In their 1982 invasion of Lebanon, their soldiers broke through the gate and stole all the plans and maps of the transformer lines and switching systems," he said. "At the time, we didn't understand why they would ever want to take them away from us."

Whether French foreign minister, Hervé de Charette, discussed the power-station attack with the Israeli Prime Minister, Shimon Peres in Jerusalem yesterday is unknown. He certainly should have done, because Bselim had been newly restored with the help of a £5m aid package – from France.

With the Israeli Prime Minister, Shimon Peres in Jerusalem yesterday is unknown. He certainly should have done, because Bselim had been newly restored with the help of a £5m aid package – from France.

## Trying to be even-handed as rockets fly

**PATRICK COCKBURN**  
Kiryat Shmona

In 1944 a V1 flying bomb landed in the garden of my parents' home in St John's Wood, destroying the back of the house. My mother and father were both out and the only casualty was the cat, which had all its fur blown off. As a child, I was fascinated by an insidious mosaic table which survived but with a line scored where the blast had ripped out tiles.

I thought of the St John's Wood house last Friday as Bibi Netanyahu, leader of the right-wing Likud party, told a CNN interviewer that the effect of Katyusha rockets on Kiryat Shmona, this northern Israeli town, was much the same as that of V1 flying bombs and V2 rockets falling on London.

Watching Israelis on international television on the day Mr Netanyahu spoke, it would be just possible to believe he was drawing a fair parallel. In the morning a Katyusha exploded in Kiryat Shmona beside a car, whose petrol tank exploded, badly burning Haim Hani, wife of the deputy mayor. CNN showed the car blazing. Within hours Israel retaliated with artillery fire and bombing which has since forced 400,000 Lebanese to flee their homes.

But there is no comparison between the scale of the casualties and destruction on the two sides of the border. Yesterday the Israeli army said Hizbollah, the Lebanese guerrilla movement, had fired 120 Katyushas since Operation Grapes of Wrath began on Thursday. So far, Mrs Hani is the only serious casualty; six or seven people have been lightly wounded. Higher figures given by some news agencies for the number injured include 30 people suffering from shock.

Obviously it is more dangerous this week to be in Kiryat Shmona and northern Galilee than in Tel Aviv or Jerusalem. But in contrast with 120 Hizbollah rockets in six days, Israeli guns have been firing more than 3,000 heavy rounds in a 24-hour period, according to UN officers. In addition, the air force has launched more than 200 bomber or missile raids every day. In this way Mr Netanyahu's comparison between Katyushas and the V weapons is wholly misleading.

It is difficult for journalists to avoid giving the impression that the military operations by both sides, and the suffering they cause, is comparable. I was in Metulla, a pretty hilltop town

on the Israeli-Lebanese border, at 9am last Friday when we heard a salvo of rockets had hit Kiryat Shmona. We drove first to where a Katyusha had landed near a tree, blowing off branches and peppering houses with shrapnel.

The first person we met, Yitzhak Michaeli, said: "I can't believe my luck." He took us to his apartment and pointed to a hole in the plaster above a sofa. He was reading a book and drinking coffee when a Katyusha exploded in the distance. He left his seat and a second rocket exploded on the other side of the road, sending a piece of metal through the window which hit the wall where his head had just been.

The first Katyusha Mr Michaeli heard was the one which set fire to Mrs Hani's car. She was very unlucky: the rocket hit the road as she drove past, the explosion digging a shallow hole in the tarmac about 12m across. The car was so badly burned you could not tell its original colour and the tyres had melted. I talked to a man who had helped Mrs Hani out of the car. He said at first he could not get the door of the car open and she was already on fire.

Driving back to my hotel in Metulla I intended to write a story solely about Mrs Hani and Mr Michaeli. He was badly frightened and she had suffered terrible injuries. But I had misgivings, not about reporting what had happened to them, but of giving the impression that it was a typical event and that Kiryat Shmona was being pounded by rocket fire.

In the event, the news of the attack was overtaken by the arrival of Shimon Peres, the Israeli Prime Minister, and General Amnon Shahak, army chief of staff, at a nearby army base to confirm that Israel was going to retaliate by ordering people to leave 41 villages in Lebanon if they did not want to be hit by artillery and air strikes.

Exaggeration of the extent of the bombardment of northern Israel creates its own political problems. Few Israelis go to northern Galilee: they get their idea of the Katyusha attacks from Israeli television and the press.

Mr Peres has promised to stop the rockets, but he cannot deliver on this pledge unless the US persuades Syria to curb Hizbollah. The Katyushas are too small and mobile to be successfully eliminated by artillery and air strikes alone. If diplomacy fails, the only alternative will be a ground offensive.

## Diplomats fear lengthy campaign will work in guerrillas' favour

**RUPERT CORNWELL**  
Washington  
and **MARY DEJEVSKY**  
Paris

Intense US efforts to halt Israel's pounding of Hizbollah in southern Lebanon reflect a growing fear in Washington that continuation of the offensive will only increase sympathy for the guerrilla movement in the Arab world and set back the faltering peace process even further.

Although he is accompanying President Clinton on his current visit to Japan, Secretary of State Warren Christopher is personally directing the diplomatic drive to secure a ceasefire, built on an end to Hizbollah rocket attacks on northern Israel and disarming the guerrillas in return for a commitment by Israel to withdraw from its security zone in southern Lebanon.

In essence, the plan is an enlarged version of an under-

standing also brokered by Washington, which ended a similar Israeli onslaught against Hizbollah positions in July 1993. But calls are increasing for Prime Minister Shimon Peres to call a halt unilaterally.

Recognising that the offensive is "smart politics" for Mr Peres, ahead of this spring's election, the *New York Times* yesterday nonetheless insisted that "having made his point, he needs to bring the offensive to an end". Israel had every right to defend itself from terrorist threats, said the paper, a staunch supporter of the Jewish state. "But continuing the retaliatory raids much longer can only reinforce Hizbollah's message to Lebanese civilians."

France has also pressed for an end to the Israeli attacks, but has had little success. The French foreign minister, Hervé de Charette, pressed on yesterday with his lone diplomatic mission to restore peace to south Lebanon, despite being

given the brush-off by Mr Peres the previous evening.

After what was acknowledged by Mr de Charette to be a failed meeting with the Israeli Prime Minister, the usefulness of his visits to Syria and Lebanon, and his telephone calls to Tehran, must be questionable. Diplomatic moves by the US could leave France more visibly sidelined than it was even after the US became involved in Bosnia and brokered the Dayton peace accords.

The French Prime Minister, Alain Juppé, who has just returned from a five-day tour of the French Caribbean, issued a sharp reprimand to Israel, but stressed also the legitimacy of its security concerns. Mr Juppé's careful double emphasis appeared designed to move France closer to the stance of its EU partners over the conflict.

Until Mr Juppé returned from the Caribbean, the French response centred on its unique contacts in the region and the



Hervé de Charette: Shuttle diplomacy has so far failed

unique contribution it could make to restoring peace.

This has added to an impression of a lack of co-ordination, if not actual fracturing, in the organisation of French foreign policy between the foreign ministry, the prime minister's office and the Elysée, where Jacques Chirac has pressed a more activist stance.

**MICHAEL STREETER and DANIEL ROSEMAN**

Leaders of Britain's Jewish community have met with anti-terrorist squad officers this week following a threat by Hizbollah, the Iranian-backed Muslim guerrilla group, to extend its activities beyond the Middle East.

The meeting at Scotland Yard, part of a regular dialogue, discussed the extra threat caused by current events in Lebanon and northern Israel.

The interception last week by Belgian police of an Iranian freighter carrying explosives which it was claimed were destined for Munich has also heightened fears that the Jewish diaspora faces fresh attacks. Michael Whine, spokesman for the Board of Deputies of British Jews, said that over the past few days the BBC monitoring service had recorded short-wave broadcasts from Hizbollah threatening to extend

their campaign to Jewish and Israeli targets outside the Middle East. "Clearly this is of concern to us," said Mr Whine. "When groups like Hizbollah or Hamas make threats they invariably carry them out... They keep their promises."

Mr Whine said the threats from Hizbollah – and also Hamas – were being taken very seriously. The British community is not expected to take any extra measures, however. Security has been high since the bombing of the Israeli Embassy in London in July 1994.

The Community Security Organisation, run by the Jewish community nationally, sends out briefings to Synagogues on anti-semitic attacks and groups, and the Board of Deputies acts on any intelligence reports from Scotland Yard. Many synagogues have installed closed circuit TV cameras, trained volunteers in security and surveillance techniques, and meet regularly with local police.

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# international

## France is urged to restrict migrants

MARY DEJEVSKY  
Paris

A French parliamentary commission has recommended wide-ranging measures to tighten the country's immigration laws and reduce what its chairman called the "temptations" of France as a place of refuge. The measures would include restrictions on the right to free health care and education, compulsory fingerprinting of visa applicants from particular countries, and an extension of the time that suspected illegal immigrants can be detained while their right to remain is verified.

Introducing the report yesterday, the commission's chairman, centre-right MP Jean-Pierre Philibert, said illegal immigrants in France could number anything between 250,000 and 600,000 (though some say it is lower) and constituted a drain on the country's economy, particularly on its health care budget. The recommendation is that people without residence papers should in future qualify only for emergency health-care and treatment for contagious diseases. He conjured up a picture of illegal immigrants basking in a profusion of free medical treatments courtesy of the French taxpayer.

Tougher sanctions would also be introduced for those found to be employing illegal aliens, including the removal of a legal residence permit from all those involved that would open the way to deportation. Only parents – not uncles and siblings – would be able to register children for a school place, and under-age delinquents could find themselves deported into the care of their home country's social services.

The report was met with furious objections from the political left – the four Socialist members of the commission

refused to endorse it – and immigrant support groups, and mild approval from the far-right National Front, which said the recommendations were "on the right track" but did not go far enough.

A number of the recommendations, however, appeared to embarrass even sections of the mainstream political right. The chairman of the parliamentary legislative affairs committee, Pierre Mazeaud, warned that he could not subscribe to all the proposals and care would have to be taken to ensure the constitutional rights were not violated. These include the rights to education, health and family life. All these caveats mean the report's recommendations will probably not become law in their current form.

They do, however, serve a political purpose, which is to convince the French public that the government is serious about combating illegal immigration. The silence on the issue of immigration from mainstream candidates was widely seen as a reason why the National Front took a record 15.15 per cent of the vote in the presidential election and took control of three city councils in the municipal elections that followed.

The tough stance taken by the French interior ministry since Mr Chirac's election, which has included security checks introduced in the wake of last summer's terrorist bombings – and applied largely to people of north African appearance, has led some critics to say that the government is doing the National Front's job for it.

A report for the UN Human Rights Commission published in Geneva last week spoke of a "wave of xenophobia and racism" sweeping France that was "highly prejudicial" to its claim to be the "homeland of human rights".



Steam driven: Chinese cyclists emerge from a man-made fog on a Peking cycle lane yesterday as workmen mending underground pipes, used to heat apartment buildings, released boiling water on to the street. Photograph: Greg Baker/AP

## China tries to halt march of Aids

TERESA POOLE  
Peking

China's south-western province of Yunnan will set up Aids quarantine checkpoints along its borders with South-East Asia in an attempt to stop the increase of HIV infection in the worst afflicted part of the country.

However, the idea of a disease-prevention belt along its borders with Vietnam, Laos and Burma appears to be a throw-back to Peking's much-criticised view that Aids is a foreign evil rather than a problem which China must address as a domestic issue.

There are about 2,500 official cases of HIV infection in China, but many experts believe the real number is nearer 100,000. Yunnan province, which has a serious heroin-addiction and drug-trafficking problem because of its proximity to the Golden Triangle opium-growing countries, accounts for more

than three-quarters of the official number.

Yesterday, it was announced that the Yunnan provincial government would spend about 500m yuan (£40m) to set up infectious-disease checkpoints and protection belts at six crossing points along the 2,500-mile border.

The province would also improve grassroots prevention programmes to control diseases including Aids, cholera and leprosy, said Yang Chaobin, of the provincial health department.

There were no details as to how the checkpoints would work, and the booming border trade across these very porous borders will present a considerable challenge to the plan. Nor is it clear what the checkpoints will actually check. Yunnan's border towns do not have the resources for large-scale testing, and any requirement that travellers carry Aids-test

certificates would seem both impractical and vulnerable to forgery. Given the ease with which people manage to smuggle drugs into Yunnan, the idea of policing the whole border is unrealistic.

China has traditionally viewed Aids as a "foreign problem". Even now, any foreigner who wants to live in China must first present a very recent Aids test certificate. Chinese returning from living abroad must similarly be tested.

It is only over the past year that Chinese authorities have started to be more open about the need for Aids education and public-health measures, and to treat Aids as a potential Chinese problem. The country's first national Aids education and publicity campaign was launched only last November, on World Aids Day. Along with the economic boom of the past decade, China has also experienced a surge in the number of

drug addicts, fuelling what in other Asian countries has been the first wave of HIV infection.

While most Chinese people tend to be extremely reticent when talking about sex, the past 10 years has also seen a boom in prostitution, especially in the cities and fast-growing coastal areas. This has been true at all levels of society.

China's strict family-planning rules mean that many women rely on IUDs for contraception, and condoms are not popular with Chinese men, further increasing the possibility of HIV infection.

China's vast floating population of 90 million also adds to the problem in organising Aids education. Every year millions of farmers leave behind their wives and children and head for the construction sites of China's cities, out of the clutches of the authorities, and often into the arms of prostitutes.

## Silence from Russia over 'secret' base

PHIL REEVES  
Moscow

Government officials in Moscow were yesterday maintaining a stony silence over a report that Russia is building a huge underground military complex in the Ural mountains.

According to yesterday's *New York Times*, the structure is hidden inside the Yamantau mountain in the southern Urals and is served by a railroad and a major road, and employs thousands of workers.

The newspaper, quoting unnamed Western and Russian sources, says the project, which has reportedly been spotted by US satellites, has mystified American experts, who believe it may be anything from a secret weapons plant to an underground command post, for use in the event of nuclear war.

Although the US has apparently been aware of the site for some years, the issue has surfaced publicly at an awkward time for President Clinton, who will arrive in Moscow on Friday for a G7 summit on nuclear safety and related issues. His administration is spending hundreds of millions of dollars helping Russia dismantle thousands of unwanted nuclear weapons in the aftermath of the Cold War.

He has also personally made little effort to disguise his sup-

port for Mr Yeltsin's efforts to be re-elected as president against a strong Communist challenge. But, to win approval in Congress for financing Russian nuclear disarmament, his administration has had to convince congressmen that the Russians – who are desperately short of funds – are not undertaking new military projects, apart from defensive ones.

Yesterday, Russia's Ministry of Defence and Foreign Ministry refused to comment on the project, or its purpose. A Defence Ministry spokesman shrugged off inquiries: "We haven't read the paper yet, so we have no reaction."

The *New York Times* said, according to some Russian officials, the project began during the Brezhnev era. But, despite being strapped for cash – millions of workers have suffered late wages – the Russian government had evidently decided to continue with the work, a decision which underscores the influence that the military still wields within the Kremlin.

Such is the size of the project that it has been the subject of several reports in the Russian local media, including those in Beloretsk, not far from site. These reveal that worried locals have been told by officials that the project is, variously, a store for state treasures, a mine, a food depot, a dump for nuclear waste, and a nuclear bunker.

## Man held over mass killings in Ukraine

PHIL REEVES  
Moscow

After a hunt in which national guards were called in, police in Ukraine believe they have caught a man who killed 40 people, including eight families.

Officials said the suspect, an unemployed 37-year-old former forestry student identified only as "Citizen O", confessed to a rampage through the former Soviet republic in which victims were shot and their homes burnt. In a string of normally

peaceful and backward rural communities, he broke into homes, wiping out men, women and children as they slept. Troops were called in to assist with the search. The terror began on 30 December, when he killed a family of four and a passer-by thought to have seen him escaping.

Ukraine's First Deputy Interior Minister said the suspect, "psychologically normal", had confessed to 10 other killings since 1989, committed before his latest rampage.

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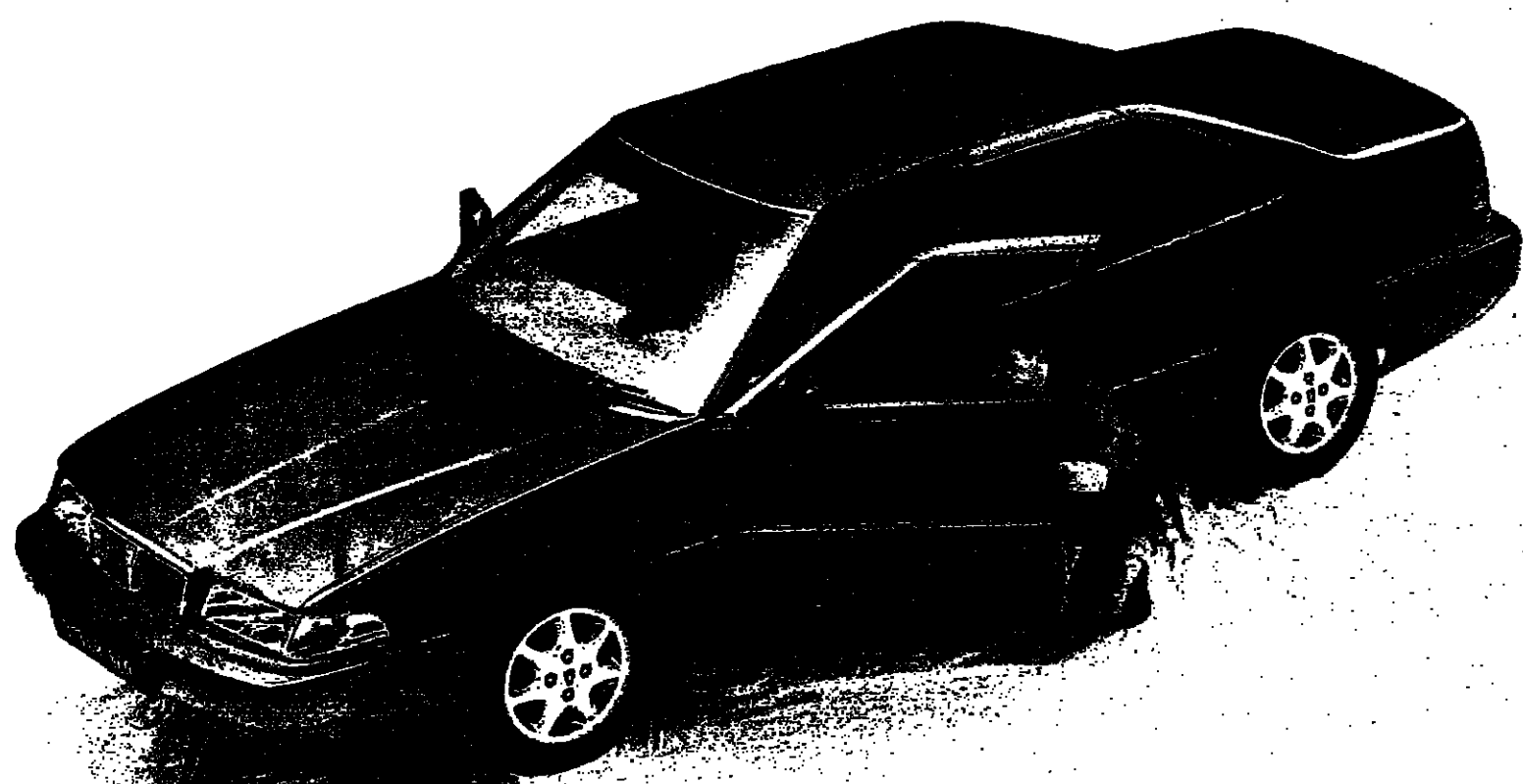


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# Who do these guys think they are?



Judges have made themselves darlings of the left for repeatedly challenging the Government, but are they really fit to play politics?  
**David Walker reports**

## So you want to be a judge ...

**Age:** You would be wise to have a few grey hairs before trying to cover them with a long curly wig. The average age of Heads of Divisions is 63; Crown Court judges are more than 57 years old on average.

**Race:** Those from ethnic minorities shouldn't hold their breath. All 96 High Court judges are white. Out of 524 Crown Court judges, there are three Asians, two other non-whites and no blacks. It's a wonder the Commission for Racial Equality doesn't look into the judiciary.

**Gender:** If you're a woman, you could always hope. But it is largely a boys' club. There are no women among 12 Lords of Appeal in Ordinary and five Heads of Division. One woman figures among 32 Lord Justices of Appeal. There are seven women out of 96 High Court judges and 29 women among 524 Crown Court judges.

**Education:** Non-Oxbridge? Fear not. The breeze of change is gently blowing here. Half the Crown Court judges have non-Oxbridge backgrounds. On the other hand, the High Court judiciary is nearly 80 per cent Oxbridge. Make Lord Mackay your role model; he was 100 per cent non-Oxbridge - for his first degree, at least.

**Pay:** This may come as a shock, especially if you were previously a high-flying solicitor or barrister. Brace yourself as your salary topples to £75,978 for Crown Court duties. Become a senior circuit judge and it rises to £88,266. You can afford to loosen your belt a little as a High Court judge (£103,425). The best you can hope for (as Lord Chancellor) is £132,906 and the grateful respect of the nation.

**Perks:** Don't expect enormous bonuses or share options. But do expect a justice's clerk (secretary), a lovely big black car and driver to take you to the court, about five months' break each year, the security of knowing that no judge has ever been sacked, a reasonable pension, and the chance of a gong on retirement. If you are doing your judging away from home, you can also look forward to being put up in one of the luxurious judges' lodgings dotted around the country. Lord Mackay has his eye on spending these days, but in 1994 the taxpayer spent £3,303 per judge per week on lodging costs.

**Bon Summers and Ramola Talwar**

It was Sir Richard Scott who summed it up. For more than two years Sir Richard was painted by the Conservative establishment as a near revolutionary, not One of Us, an outsider. Yet soon after he delivered his report on arms exports to Iraq Sir Richard, the epitome of the independent judiciary so disliked by the Government, revealed the other side of his life.

A press photographer caught him dressed to the nines in hunting garb on the back of an Irish mare about to go fox-hunting. The Tom Paine of the High Court was suddenly exposed as a rich man spending his leisure as such folk do.

Last summer there was a fuss after the discovery that judges hearing cases at Lewes Court were put up in a mansion nestled in the Downs at Telcombe. The judges were bemused. Opulent stone manor houses are, after all, where many of them live.

High court judges earn £103,000 a year plus perks. The upper ranks of the judiciary, from High Court judges up to Lords of Appeal, are all white and (bar eight) male. Four out of five were educated at Oxbridge. A guestimate is that nearly nine out of 10 attended a public school; if not, they went to a direct grant or good grammar. Judges are not, in the words of the judicial oath, "all manner of people".

Officially, that makes no difference. The Lord Chancellor's Department gave evidence to the House of Commons home affairs committee in February: "Whatever their social background, almost all candidates in the course of lengthy experience in legal practice will have become familiar with social conditions and behaviour in many and diverse situations."

There is a case for tuff judges: they will have the confidence to bear their social equals. Simon Lee, author of *Judging Judges* makes the point diplomatically. "Perhaps aloof judges are more likely to take a counter-majoritarian position. Unrepresentativeness doesn't preclude understanding or a commitment to rationality."

The problem is that their rationality is called into question when they hand down sentences that appear inappropriate or make remarks that reveal what appears to be deep-seated ignorance of everyday life. Then the argument is that they would make better decisions if they were more representative.

Both the Lord Chancellor, who now advertises to recruit some judges, and the Bar Council, representing the barristers from whose ranks all senior appointments are made, want things to change.

The compulsory vocational course for intending barristers formerly offered only in the Inns of Court in London is now available elsewhere. A clearing system operates for entry into barristers' chambers which, in principle ought to make it easier for those without connections to make it in the law.

It's not quite a legal revolution. Of 8,390 practising barristers 282 are self-identified as black. There are 61 women QCs, up from only 50 two years ago. (There are 957 male QCs, up from 845 two years ago.) The pool from which future judges will come is broader but only by a little.

There are good reasons why the social background of the judiciary matters. One is that holders of power and authority ought roughly to match society at large in their composition;

anything else could look a recipe for exclusion and oppression.

For judges this has become a more pressing question as their role has become more politically controversial: they are doing things that require them to be more representative. This was what the Lord Chief Justice, Lord Taylor of Gosforth, was getting at when he said that if the judges are going to get into public debates through the media they need to be more in touch. The implication, given Lord Taylor's own only slightly non-standard background (Newcastle upon Tyne Royal Grammar School, Pembroke College, Cambridge), could be that judges need to be more like the rest of us.

There is a groundswell of opinion in favour of judicial activism, with judges reviewing more government decisions by government ministers. It is because judges are being drawn on to this political terrain that Lord Taylor has given his colleagues the green light to hold press conferences and make public speeches.

The judges' repeated clashes with government and Michael Howard, the Home Secretary, in particular, have made them the darlings of the political left. The bible for the left used to be John Griffiths' *The Politics of the Judiciary*, which linked a series of anti-Labour court decisions in the Seventies with the socially restricted background of judges in the higher courts.

The left's problem is that judges are still toffs but are now knocking down Tory government decisions. That show of independence seems to support Lee's argument that their background makes them beholden to no one.

There may be a fallacy in the argument that a bench with more women and more comprehensive school-educated judges will, as a result, be more "liberal".

"Look at working-class magistrates, they tend to be authoritarian," says the David Downes of the London School of Economics. "Black magistrates are harder on black defendants."

Unrepresentative as they are, judges have been changing their courtroom body language. The bench, experts say, is unquestionably more modern and more open, even if its occupants still live in country houses. Sir Harry Woolf, Sir Stephen Sedley, Lord Browne-Wilkinson are widely regarded inside and outside the courts as class acts.

"A judge's background matters far less than their skills in judicial reasoning," according to Professor Geoffrey Jowell of University College, London. "What is different is, for example, the degree of interaction that there now is between English judges and the jurisprudence of other countries. They are in touch."

Consensus says that judges are doing what they do better than ever. The problem is that what they are starting to do is different, as it has to do with politics and decisions that in the past were reserved for those elected to public office.

"The issue is, how appropriate it is for judges to exercise political power," says Conor Gearty, reader in law at King's College, London. "But the solution to that problem is not to ensure there is a woman, a Catholic, a Sikh or a black person on the bench. It does not matter how representative judges are if what they do undermines the democratic process."

## The social background of the judiciary does matter - holders of power ought to match society

## It does not matter how representative judges are if what they do undermines the democratic process

## DIARY

### 'Biographer tells all' shock

Just why did Carol Thatcher write the biography of her father? Easy, confided Lord Deedes at yesterday's Foyles literary lunch, which he chaired to honour Miss T. "My theory," he said, "is that Carol wrote the book because she felt her father ought not to be known only by the Dear Bill letters in *Private Eye*."

Not an unreasonable assumption. And as the eponymous recipient of the correspondence, he should know.

Unfortunately, in the next two hours I watched Miss T and her father destroy his theory. One hundred or so of the Home Counties' best blue rinse had gathered at the Grosvenor House Hotel to learn who the man behind the gin-soaked buffer of the 19th hole really is. His daughter rose in a post-lunch flush to tell all - and when she sat down, we were not one jot the wiser.

"Denis and gin go together like Imelda Marcos and shoes," she declared. "In fact, when he was in Marseilles during the war, he had a go at making the stuff. He mixed it up in the bath, and a mouthful nearly blew his head off! That was easily solved - he turned on the taps and watered it down. You've never watered a drink down since, have you, Dad? Ha-ha-ha."

Carol's abiding memory of Denis in Number 10, we learned, was of him "pouring strong ones for anyone who needed it", and in moments of crisis his voice would boom along the corridors of power. "Let's get relaxed!" Denis, true to form, sat through this portrait of a benign and befuddled chap, smiling and sipping - and saying not a word. Precisely, in fact, the Denis of Dear Bill letters. Not that the blue rinse brigade seemed to mind, especially the Ladies who after seeing Denis Thatcher and Lord Deedes asked me which was which.

### Judge a book by...

I fear I must add to the embarrassment of the women-only Orange Prize for fiction after two of the judges, the reviewer Val Hennessy and the novelist Susan Hill, were widely quoted as damning the general standard of entries. Ms Hennessy said: "I have seldom come across so many books that were so bad. Some were just drivel." Ms Hill added: "I have to be a bit careful, but I think I can say I thought the quality of entries was abysmal, terrible." The prize's administrator, Kate Mosse, sees male conspiracy in this. The male journalist who wrote the original piece left out everything positive, she complained yesterday.

I asked the said male journalist whether he was a sexist pig, whether he was one of those who thought it odd and

patronising to instigate the prize in a year when women had won both the Booker and the Whitbread. Far from it. "I am not against the prize at all," he told me. "I didn't even ask the two judges whether they thought the general standard was poor. They both came straight out and told me. I was amazed."

It is interesting that both Ms Hennessy and Ms Hill, with exactly the same phrase, regretted "that there had to be cut down" for some books. Almost as if it was the very phrase used at the judges' meeting.

### Presidential seat

A week is a long time in easy-to-assemble furniture. An unlikely confrontation between the Russians and the Swedes is

taking place in Paris, on the subject of an advertising campaign by the Swedish furniture store Ikea. To advertise the opening of a new store to the east of Paris - it already had stores to the north, west and south - Ikea used a big photograph of Mikhail Gorbachev, accompanied by the words: "Everything is changing quickly in the east" and the date of the new store's opening. A further poster, also with Gorbachev's photograph, says: "In the east everything is now just the same as in the west."

After approaches from the Russian embassy, Ikea has had to issue a disclaimer, stressing that the posters were not constructed in anyway as part of the Russian presidential election campaign, in which Mr Gorbachev will be a candidate.

### Down Mexico way

Why was Sir James Goldsmith given a happy 20-minute slot on *Breakfast with Frost* on Sunday? Could it be anything to do with the fact that David Frost had spent the Easter break chez Goldsmith at his Xanadu-style mansion in Mexico?

### Money for old coke

I'm pleased to see that the *EastEnders* actress Daniella Westbrook has rectified the appalling tabloid slur that she spent £100,000 on cocaine. The 22-year-old who plays Sam, a barmaid, tells the May edition of *Loud* magazine: "It was my money and not even the £100,000 that was reported, it was closer to £50,000... The most I ever spent in an evening was £600." That's a relief. For a moment there I thought the publicly funded BBC might be overpaying its soap opera starlets.



### Publicists who need the occasional prompt

It seems to have gone away with the publicity material for the season of the *EastEnders* Theatre season at Chichester next month. The season's production will be the world premiere of *Simply Disconnected* by Susan Hill. The producer will be Duncan Weldon. The leaflets mention *Simply Disconnected*, but unusually, there is no mention of any of the last theatrical outing, which also had Weldon as producer. It is a shame, as the last theatrical history? Just so Chichester is up to speed with Gray's oeuvre. I can remind them what the *EastEnders* material forgot: his last work was *Cell Mates*, starring Stephen Fry (though not, alas, for very long).

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## Farewell Fergie

The manner of their leaving one another becomes them. The cool and practical tone in which the divorce of the Duke and Duchess of York was announced demonstrated something their marriage has lacked.

The Duchess has at last behaved with a modicum of dignity – a quality that was so sadly lacking in much of her behaviour. By relinquishing the title of Her Royal Highness she acknowledges that Sarah Ferguson and “royalty” never quite went together. She can no longer use HRH as a key to unlock book deals and see her on the top table at charitable fund-raising events.

The couple's timing was probably apt, too, getting residual nastiness out of the way to allow the Queen to celebrate her 70th birthday in the knowledge that no further family bombshell is about to burst. This week at least. This is probably the high point for the royal divorce lawyers. There are now only the three royal divorces running in parallel, Sarah and Andrew, Marina Ogilvy and her husband and Charles and Diana.

The Yorks' divorce is a formality. Since their separation they appear to have behaved towards one another with greater calm and affection than they managed in

the last years of their troubled marriage. In itself their divorce affects neither the general condition of the Royal Family nor the Queen's desperate need to steer it into calmer water. It may help the House of Windsor slowly engineer a recovery in its fortunes. The decks having been cleared a little. Perhaps the Princess of Wales may take note of her sister-in-law's capacity both to reach a settlement with her former husband and then to announce it with some style. But that far trickier divorce still lies ahead.

As for the Duke, so strangely absent from the public gaze in recent months, we can only wish him well, noting that he has a role to play in restoring his family to public favour. The key to that is to follow Princess Anne's model of quiet, dutiful public service at low cost and minimum embarrassment to the taxpayer.

That is the message the royals must take from the sorry time they have had in the Nineties. Significantly, it seems to have reached Prince Charles, who is recruiting a team of fund-raisers for his Prince's Trust with the aim of making it the main inner-city charity in the country. That would be a further step on the road back to good reputation, but it will be a long march.

## Still roasting

The drift back to beef has started. Consumers have begun to cross the picket lines in their minds and return to the beef shelves. Helped by low prices, sales of beef are back to 85 per cent of their level before the BSE scare began. Yet the industry is still in trouble.

Slaughterhouses hold unsold meat worth £132m. The barons in Brussels are sticking to their export ban: nary a roast beef and mustard sandwich can leave British shores. Listen and you will hear the entire beef industry, from farmers to slaughterhouses, meat processors to exporters, screaming with pain.

Enter Douglas Hogg. Faced with an unresolved crisis of consumer confidence and an industry still collapsing around his ears, one might have expected the Secretary of State for Agriculture to unveil a strategy to restore confidence and demand. Some hope.

Yesterday he announced just a bit more compensation for farmers and slaughterhouses. Almost a month after the scare began, the Government's main strategy is to keep the beef industry going in the hope that British and European shoppers will change their minds. This may be sufficient to bring the crisis to an end, but only with some luck.

Ministers have already announced a limited cull of beef cattle more than 30 months old. Elderly dairy cattle will be kept out of the food chain. Yesterday he announced plans for “quality assurance schemes” to clearly label beef from BSE-free herds. If beef sales are already back

to 85 per cent of their pre-scare level, a few more months may bring them back to normal, as consumers become bored of the boycott and inured to the risk. EU officials have already been heard to concede that British beef is safe: so the export ban may prove unsustainable too.

This optimism is likely to prove premature. In the long run demand will inevitably be affected by public perception of the safety of the industry. Enough families across Europe have been unnerved by the BSE scare to stay away from British beef for a long time to come.

Moreover, this kind of approach suggests a dangerous government complacency about consumer concerns. It may not be easy for anyone to assess consumer attitudes except by waiting for their reaction delivered through the market. Yet we live in an age of consumer power; greater attempts to anticipate their concerns and respond swiftly to disquiet could save everyone a lot of heartache.

As long as shoppers suspect that government is on the side of the producers, and that no-one is standing up for their interests, crises in confidence and food scares are bound to blow up again. Splitting the Ministry for Agriculture, Fisheries and Food into separate farming and consumer departments is only a start. Making it clear that consumers have a route into public policy making should help give more focus to their views. Consumers are powerful and volatile beasts, as the Government learnt to its cost this month. It would be wise to show them more respect.



HEATH

## LETTERS TO THE EDITOR

### 'Grapes of Wrath': Lebanon pays the price for Israel's security fears

Sir: On reading Robert Fisk's report from Lebanon ("This is not just a military operation. It is an attempt to smash a country", 15 April), I was angered to read the following paragraph:

And in the real world of Lebanon the simple question has to be asked. Would the Israelis have embarked on such a massive military operation at such enormous cost, just to avenge the wounding of five Israelis by Katyusha rockets, an assault that was itself retaliation for the killing of a Lebanese youth.

I wonder if Mr Fisk is aware that Hizbollah have been firing the rockets at northern Israel for years.

On a trip to Israel last summer, I visited towns in northern Israel and was shocked at the way that the Israeli civilians were used to the danger. I was even witness to a rocket attack, hearing a boom and being told quite calmly that it was a Katyusha.

Israel's bombardment of southern Lebanon is an attempt to show Hizbollah that it will not allow Israeli civilians to be at daily risk.

ALEXANDER COWAN  
(Aged 17)  
Elstree,  
Hertfordshire

Sir: Any reader of your newspaper, would be led to believe that the Israeli government is trying to destroy a defenceless country, and a group of innocent people, for no reason whatsoever. Unfortunately, people have short memories.

The group which the Israelis are targeting in Lebanon are a group of terrorists. They are linked in purpose with those who send men into Israel to commit suicide in order to kill as many innocent victims as possible. Over the last few months, these groups have created a reign of terror in Israel. They have brutally murdered and injured civilians on buses, in cars and in a busy shopping centre. On Friday, another potential suicide bomber appears to have blown himself up in Jerusalem while preparing another bomb that could have killed more people.

The Israelis are in an impossible situation. The Hizbollah is not a peace-keeping organisation that is trying to maintain peace within the Middle East.

The new Lebanese government has failed to prevent the constant barrage of Katyusha rockets that have been targeted on northern Israel. If the situation was reversed and the IRA was bombing buses and

constantly throwing Katyusha rockets into your backyard, would you encourage the British government to just sit by?

NAOMI KATZ  
Leeds

Sir: Operation "Grapes of Wrath" was launched by Israel with the objective of bringing a halt to rocket attacks on northern Israel by Hizbollah and not, as Robert Fisk asserts, for the purpose of demonstrating to President Assad what happens to those who do not want to make peace with Israel.

The Arab-Israeli wars of 1948, 1956, 1967 and 1973 have already demonstrated quite adequately the consequences of waging war with Israel.

PAUL MILLER  
London NW11

Sir: Israel's escalating bombardment of Lebanon, with its expansion of the conflict far beyond the border area, is both the gravest menace to regional stability since Iraqi tanks rolled into Kuwait and could sound the death-knell for any hope of a comprehensive peace.

But as in 1993 the general international response, including that of the British government, seems predisposed to legitimise

the Israeli position. Here we have a defensive operation employing only pinpoint strikes against the "terrorists", while avoiding collateral damage (slaughtered civilians) wherever possible. If not actually members of Hizbollah, the villagers of south Lebanon are surely lending their tacit support to the enemies of peace? If wounded women and children are reckless enough to ride in a Hizbollah ambulance, how can the Israeli gunners know this?

Last April, I travelled from Beirut to Sidon and Tyre. Although in a country regarded as a chief historical villain, I was confronted only with friendship and hospitality from people desperately trying to rebuild a shattered, but naturally beautiful country.

The few individuals with a good word for Hizbollah – and these were poor Shia Muslims – saw them only as a buffer against Israel and its proxy militia in the occupied zone. If civilians were no longer vulnerable to cross-border attack, the Hizbollah umbrella would become superfluous.

RICHARD SACKETT  
London N22

Sir: After throwing out Palestinians from their homes, it is now the turn of the Lebanese. Where

will it all end? The international community should look at the behaviour of Israelis and tell them in no uncertain terms that enough is enough.

Our Defence Secretary's attempt to support Israel is condemnable. "It is the right of every country to have security and defend itself," says Michael Portillo (report, 16 April). What about the right of Lebanon? Does not Lebanon have the right to its security, which is now threatened by Israel by its bombing raids?

The destruction of power stations in Beirut, the emptying of villages of their inhabitants, and punishing civilians for the so-called "terrorist" acts of Hizbollah cannot be termed defensive measures.

SHAIKH MOHAMMAD  
Croydon, Surrey

Sir: Israel's strikes against Lebanon smack of the worst kind of cynicism. If it is a response to Lebanese resistance against Israeli occupation, then it is out of all proportion. Since it is an electioneering ploy the Lebanese are, yet again, being made to pay for other countries' internal problems.

F H MUNDARI  
Swindon, Wiltshire

## The Flick fiasco

The University of Oxford is a world-class educational institution. At its best it is a civilised and civilising place. But sometimes it behaves stupidly. That is the only judgement to be made of its mismanagement of the Flick endowment for a chair in European thought. The affair has exposed Oxford's creaking bureaucracy, which operated in this case with little logic and less consistency.

It has never been easy to spot the strict tests Oxford has applied to its donors. The Rhodes scholarships, which are a central feature of Oxford life, are founded upon the fortune Cecil Rhodes made in southern Africa by methods no well-meaning liberal would endorse. Oxford's fund-raising campaign in America took money from all quarters.

The opponents of the Flick endowment say none of that counts because this case is different. Dr Geri-Rudolf Flick's grandfather was a Nazi war criminal who made a fortune exploiting slave labour during the Second World War. Oxford might have rejected it but it took the money. Once criticism emerged, it might have defended the endowment by arguing that the origins of the money mattered far less than what was done with it. Instead Oxford delayed and wrung its hands. Dr Flick has decided to take his £350,000 elsewhere.

It is Oxford's loss. The university emerges from the affair with no credit. The vice-chancellor, Peter North, is leading an inquiry into the way the university is run. The Flick affair should tell him just how urgent reform is.

### Outlaw the classroom cowboys

Sir: Frank Abrams ("Children put at risk by parasite teacher agencies", 12 April) reports NASUWT fears of children at risk from cowboy teacher agencies. As an agency founded on an ethos of service and professionalism, we share these fears.

TimePlan Education Group was the first and is the largest of the independent agencies providing temporary teaching staff to schools. Five years ago, we first approached the Education Department with a proposal either to regulate or draw up a code of conduct for agencies.

Three years ago, we met officials with our professional advisers, Price Waterhouse, with a worked-out scheme to police the service. Last year, we asked the

NASUWT for support in this endeavour, and we received no reply.

A strong code of conduct is long overdue. The Department for Education and Employment has a draft code which we understand is ready to be issued, and we last spoke to their officials three months ago to try to move matters on.

The code will cover all suppliers of temporary staff including local government. This is an essential element, since we see our rejected applicants working through both LEA and independent supply offices.

CHRIS KING  
Director of Education  
TimePlan Education Group  
London N3

### Wakeful baby? No problem

Sir: I was worried for any new mothers on reading your article "Help me make it through the night" (18 April). Although there is sound advice concerning bedtime routines, I would vehemently question the implication throughout the article that those parents who respond to their child's cries in the night have a "problem".

Babies' cries are specifically designed by nature to elicit a response in their parents, a rather clever device to ensure their survival. The hormonal changes in a woman on becoming a mother, especially if she is breastfeeding, ensure that ignoring her baby's cry feels like torture.

Perhaps we need to look at the subject from a completely different angle. Perhaps we need to accept the fact that when a baby wakes alone in the dark night, it feels frightened, needs its mother and wants her to stay. Perhaps this is normal healthy behaviour, showing a strong survival instinct, and we should be proud that our baby is so smart. Perhaps we

need to accept that parenting is a job that doesn't stop for a stretch of seven hours out of every 24, and maybe it is during those most frightening night-time hours that our babies need our presence most.

An alternative answer to the problem from my own experience is: sleep with your baby and breastfeed on demand throughout the day and night. Sounds like hard work, but paradoxically you will not be too disturbed in the night after the first few months, as your baby settles in to the security of knowing you are always there and night feeds gradually diminish.

Eventually, mother and baby are so synchronised that you perform the night-time tasks in your sleep, and greet in the morning not knowing whether the baby awoke in the night or not. The result is a much more relaxed experience for both mother and child, and the rewards of loving and intimacy can't be described.

STEPHANIE DAVIES-ARAI  
St Albans, Hertfordshire

### Where blame lies for airport fire

Sir: Having had the misfortune to be inside Düsseldorf airport when fire broke out last Thursday, I was concerned to read (12 April) that the high death toll is being blamed on "people in the terminal panicking and ignoring instructions to use the fire exits". I suspect that an attempt is being made (co-ordinated or otherwise) to distract attention from the inadequacies of the airport's fire precautions and emergency response.

The crucial questions that will have to be answered at the inevitable inquiry include:

1. Why were the fire alarms never sounded?
2. How was smoke from a fire in one section of a very large building able to fill the entire building within five minutes of the fire's outbreak?
3. Why did it take the airport fire brigade at least 10 minutes to reach the terminal from their fire station which lies only 500 metres away?
4. Why was a large and often densely populated public building not fitted with a sprinkler system?

With so many important questions still unanswered it is premature of the authorities to place blame at the feet of those unfortunate enough to have been caught up in the catastrophe.

PETER STATHAM  
Maidenhead, Berkshire

### Angel of power

Sir: Why not let the wings of the giant Gateshead statue (Letters, 13 April) turn in the wind? Their movement could generate free electricity for the local community. That would surely reduce the negative feelings.

ALAN C PICKWICK  
Sale,  
Cheshire

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

## Buy now, let Labour pay later!

AN ANNOUNCEMENT FROM THE BOARD OF BEEFTRACK

Oyez, oyez! Be it known that the directors and board of BEEFTRACK hereby declare that they are putting on sale to the public shares in the company known as BEEFTRACK, which cannot lose money in the future owing to very special and meaningful relationships with the Government, which we cannot spell out FULLY in case anyone from the Labour Party should read it and raise some intelligent objections, unlikely though that seems.

Therefore the board and directors of BEEFTRACK do hereby authorise that a sum of money not less than, oh, let's say £50,000, be paid to Miles Kingston Esq for the privilege of using his column as a free publicity area for the forthcoming sale of shares in Beeftrack.

PROSPECTUS

1. Beeftrack is a publicly owned company formed by the Government using taxpayers' money but making a profit only for itself and the Tory party.

2. The purpose of Beeftrack is to take all loss-making industries such as the railways, the beef industry, the water industry, the newspaper industry, the book industry, you name it, even the Tory party itself, and leave them in such a mess that the incoming Labour government will suffer from such difficulties that it will not



MILES KINGSTON

be able to last more than a year.

3. Therefore, using money raised by this share issue, the directors of Beeftrack propose to indulge in such madcap schemes as:

- a) plunging the food industry into disarray by slaughtering all available cattle;
- b) plunging the world of rugby union into disarray by ordering the slaughter of all rugby administrators over 60;
- c) plunging the rail industry into disarray by fragmenting it into an unworkable patchwork of conflicting organisations;
- d) plunging the art world into disarray by letting the Royal Opera House go head over heels into debt and then half-bailing it out;
- e) promoting jealousy at all levels by giving ludicrously large sums of money to all outgoing heads of state organisations or quangos, and even

greater sums to all private heads;

f) ordering ludicrously expensive bypasses to be built round places like Newbury;

g) giving out huge sweeteners to anyone who buys shares in Beeftrack;

h) offering bribes to ... but you probably get the idea by now.

4. What you may well ask, is the point of Beeftrack making a lot of trouble in the country by mucking up the rail system, beef industry, etc?

5. We'll tell you.

6. To make a hell of a lot of money.

7. How?

8. Hold on a moment and we'll tell you.

9. You see, it's a hundred to one that even if the economy upturns and inflation vanishes and we all feel very good indeed, the Tories will still lose the next election.

10. The voters are not fools.

11. Well, yes, they are fools.

12. But they are not total idiots.

13. And the public has felt for some time the crying need for a change, which means that come the next election they will vote the Tories out.

14. And Labour in.

15. The voters don't particularly want Labour in, they just want the Tories out.

16. Even if the only alternative government was Ray Illingworth and

the English cricket team, they would still vote the Tories out.

17. So our idea is to make things so nightmarish for the incoming government that in a year or two the electorate will, as usual, forget all the horrors of the Tory years and vote the Tories back in again.

18. At which point Beeftrack shares will rocket and we can all sell out and make a fortune!

19. So buy Beeftrack shares today and look after yourself tomorrow!

20. Beeftrack is a wholly owned Tory set-up.

21. The Tories are sometimes accused of short-termism.

22. But with Beeftrack we are looking way, way ahead!

23. And looking after number one!

24. What about the country, you ask?

25. Never mind about that – what's good for Beeftrack is good for the country!

26. You know it makes sense.

27. Well, not sense exactly, but a lot of money.

28. Remember, where shares are concerned, what goes up may come down.

29. And remember, where governments are concerned, what goes in must get in again!

30. Buy Beeftrack shares now ...

31. And see you again when the Tories get back in!

April 1996



# A heroine amid the drugs hysteria

The vilified social worker who claimed Ecstasy is relatively safe should be praised for being sensible

The lynch mob was still at the door baying for blood yesterday when I talked to Mary Hartnoll, Glasgow's director of social work. She has just endured the full wrath of the media after her internal memo about drugs to the chief executive of Glasgow City Council was leaked. She says ruefully, "I would never have expected this. Public people cannot speak honestly about drugs and hope to live."

Paul Betts, father of the Ecstasy victim Leah Betts, was first among her critics, calling her "totally irresponsible" and "absolutely stupid", claiming she had set back his campaign by a decade. The local Labour MP, George Foulkes, declared himself "absolutely astonished" by her comments. Tory MPs jumped in with glee. The Glasgow board that licenses clubs and pubs, about whom she was writing, retaliated by claiming that her remarks "flew in the face" of everything they were doing to stamp out drugs. From the reaction caused by her letter, you might imagine she had called for heroin to be on sale in primary school canteens.

What she actually said was straightforward, factual and sensible. "The irony is that Ecstasy, for example, is a relatively safe drug - risk of death has been calculated as one in 6.8 million (the risk of dying of aspirin is very much greater) - and young people tend to know this. For every highly publicised death, those who use regularly balance their experience of their own and friends' experience of frequent, safe and enjoyable usage."

Admirably, she stands by what she wrote and she has not been panicked

into saying things she does not believe to be true. Although she has the firm support of her council leader, she is plainly agitated at what has befallen her. After all, she is not some trendy new arrival but a 56-year-old who has been a director of social services since 1978. She speaks from a depth of experience of running social services in several areas, and now in Glasgow with its many drug rehabilitation programmes and anti-drug campaigns.

This is the story: undergoing local reorganisation, Glasgow council, like many other areas, is in the throes of drawing up new policies in new committees. The controversy started when the Glasgow Licensing Board initiated a headline anti-drugs policy in the granting of licences to clubs and dance venues.

In her letter she was not suggesting anyone should be soft on drugs. "Tough law enforcement is essential," she says. But she was calling for higher safety standards. She wants all licensed dance clubs and events to provide chill-out areas and supply free water. There should be accurate information on drug misuse in these areas, with stewards trained in first aid in case anyone collapses. These "harm reduction measures" are designed to reduce the number of collapses or deaths caused by over-heated dancers on Ecstasy. But the licensing board rejected this proposal, as it seemed to them to be a tacit acceptance, or even approval of young people in these clubs taking drugs. Mary Hartnoll was writing a memo to try to persuade the council to overturn the board's intransigence, in the name of safety.



POLLY TOYNEE

Public people cannot speak honestly about drugs and hope to live

These "harm reduction measures" were drawn up by a working party two years ago, set up by the Secretary of State for Scotland following the tragedy in the Hanger 13 nightclub in Ayr, where three young people died after taking Ecstasy. If the aim of drug policy is to reduce the number of deaths, then these measures are widely regarded as life-savers.

But the licensing board's refusal to introduce them reveals another agenda lurking just beneath the surface in much official thinking or non-thinking about drugs. This agenda suggests people should be punished for taking drugs because drug-taking is in itself wicked - and it frightens the life out of older people who have never encountered it. The public is encouraged to panic at the very word "drug" and mass hysteria drives out

reason. So the vital difference between "relatively safe" and "extremely dangerous" drugs disappears in a cold sweat of terror, as evidence and facts are cast aside. There has never been a recorded death from cannabis, so prosecuting 56,000 people a year for it blurs the crucial difference between such "relatively safe" drugs and those which destroy not only their users, but also to the community around them.

Miss Hartnoll was blasted for saying Ecstasy is "relatively safe", but those words are used by most of the experts, including the man who collates most information on Ecstasy deaths, Dr John Henry of the National Poisons Information Service. It is not safe, he says, for no widely used drug is safe. He fears it may cause increased depression in later life, but as drugs go, Ecstasy is "relatively safe". Nothing like as dangerous as drink and tobacco, for instance, and three times more people die of paracetamol, while thousands more young people die driving their first car.

Miss Hartnoll says the young know a great deal about drugs - though often not enough. The "Leak Bets - Sorted" posters invite disbelief from a generation where millions take it every Saturday night without obvious bad effect. She says a recent survey in Glasgow - the city with the most drug deaths, at 100 per year - found half the young women and two thirds of young men took drugs. Six per cent were on heroin, 8 per cent on cocaine or crack - frightening numbers. But for the great majority taking soft drugs was a recreational social activity that did not

interfere with their jobs or education. (By far the commonest drug was cannabis).

So in the face of this widespread drug-taking, what kind of effective anti-drug warnings do you issue? "Just Say No" doesn't work, but Miss Hartnoll says, "honesty matters if you want to be believed."

Now she is setting out to persuade her new council to adopt a practical and realistic approach. She says what worked best in the past was a scheme called Operation Eagle, which combined tough law enforcement against drug dealers by the police, a health promotion campaign with truthful information about comparative risks, and good youth clubs involving local adults. Undaunted, she believes she will persuade the council to overturn the Licensing Authority's rejection of harm reduction measures in clubs.

However, people like her who talk honestly about drugs can expect nothing but trouble. It is not OK to suggest that millions of young people take drugs at the weekends and suffer less than they would from a heavy night in the pub. It is not OK to point out that no Ecstasy or cannabis-crazed madmen smash bottles in each other's faces at closing time. Anyone in authority even hinting at these facts can expect the same bucketful of media ordure that was dumped on Mary Hartnoll in recent days. Drugs are an increasingly important aspect of our national life, and yet none of our law makers or law enforcers are allowed to debate the facts openly: across the parties lips zip, jaws clamp, eyes shut and ranks close.

## Britain needs brainpower

Funding research in only a few key universities sounds unfair but makes sense, argues David Harrison

Research is the advancement of new knowledge, or of new associations between events or phenomena already known. It is original in nature and its greatest achievements enjoy a lasting and worldwide recognition. In short, it contributes to the quality of life.

The group I chaired - set up by the British Academy, the Conference of Medical Royal Colleges, the Royal Academy of Engineering and the Royal Society - has concluded that for Britain to maintain its ability to conduct high-quality research, the funds available must be concentrated in relatively few universities. This may strike critics as not being fair, but it reflects an un-

We in no way hide our concern that the UK is falling behind its major competitors

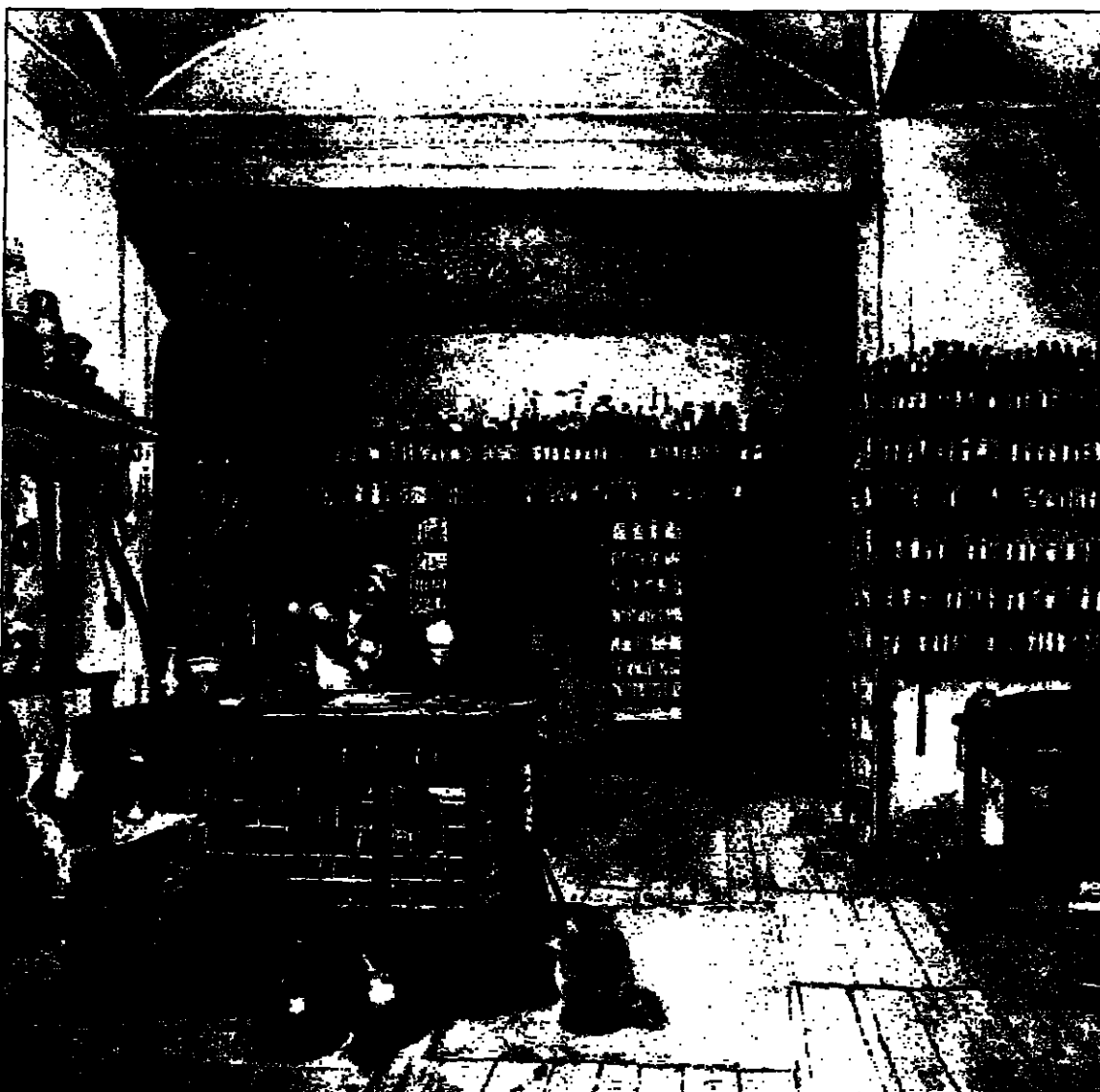
able fact: a critical lack of resources. Our group was asked whether the present university system has the research capability to deliver what is now being asked of it. We consulted very widely and the answer we must give is no. This follows inevitably from the abundant evidence we were given on:

■ The low proportion of the national GDP assigned overall in this country to research and development compared with that in other leading industrial countries. The quality of our university research is ultimately judged by international standards.

■ The rising student/staff ratios - for example, from 13 to 19 students per member of staff in the humanities, and from 10 to 15 in engineering - which are squeezing the staff time so essential for high-quality research.

■ The serious rundown of university infrastructure, including libraries, equipment and building maintenance.

Our response to this situation could have been a vigorous and heartfelt call for more public expenditure on research, and in our report we in no way hide our concern that the UK is falling behind its major international competitors. We were nevertheless obliged - again on the evidence put to us - to face the painful likelihood that public funding per student will continue to fall; and this would be on top of a 20 per cent fall in real terms in the five years to 1993-94. This decline greatly reinforces the pressure on universities to increase their other sources of research funding (eg, from charities, industry, the European Union and alumni).



Michael Faraday, 19th century physicist: can British universities maintain the tradition?

Hulton Getty

Research money is not distributed uniformly across the 100 or so universities in the UK, and it never has been. Originally, each year's distribution largely followed a historical pattern; but, since the first national research assessment exercise in 1986, and again in 1989 and 1992, the funding councils' distribution has been arrived at by peer review, which has sought to reward high-quality research. This has been judged by national standards (given research ratings of three or four) or international standards (rating five). The degree of concentration is now high, with more than 50 per cent of all research grant and contract income to all universities in 1993-94 going to 15 universities. This selectivity of research funding occurs not only with funding

councils but equally with research councils, charities and industry.

Our recommendation, therefore, to increase concentration of research funds in a relatively few universities follows inevitably from the severe, long-term constraints on public funding, and the high cost normally associated with the achievement of high quality on the international stage. The degree of selectivity reflects the lack of resources.

A non-selective policy would of course be possible, and it is perhaps an easy option that some say would lead to a fairer system. But it is not the quality option, nor the one the English Funding Council had in mind when it said in evidence to the Government's review of higher education last year: "For academic as well as economic reasons, care should be taken to maintain a number of world-class institutions which compare internationally with the very best universities in the world."

We consider it is vital for the funding councils to develop methods that explicitly encourage a diversity of mission across a system of a hundred universities. Many academic staff are no longer in effect funded for research, and certainly not adequately, and it is deeply unsatisfactory that with only two available streams of money - one for teaching and the other for research - that all universities are forced to compete for research funds regardless of their institutions' mission. This pressure is heightened, particularly at the present time because the ceiling on the number of home and EU students is an impediment to any university wishing to grow

in order to increase its teaching funds.

The present teaching and research funding methodologies are institutionally inequitable, and they are fundamentally unstable in the long run if universities are to be encouraged to sustain missions for the benefit of society that are both diverse and cost effective. We therefore see the need to create a third stream of money, which we call professional development and teaching, targeted to university departments that have student/staff ratios above the national average and did not enter the research assessment exercise.

We seek in this way to reduce student/staff ratios, to provide academic staff with more time to keep abreast of

A non-selective policy would of course be possible, but it is not the quality option

their subjects and to better perform as effective university teachers. It may also be possible to contribute to the support of the professional activity of academic staff with, for example, library and laboratory materials for teaching, staff training and the cost of academic collaboration with other institutions.

Where is the money for this third stream going to come from? If it cannot be found as genuinely new money to the university system, our preferred option would be to seek resources for professional development and teaching from present research funding at the lower end of the quality range, as judged by the research assessment exercises. For example, for the English universities in 1992, about £30m was allocated to units of assessment with the low rating of two, with that sum currently allocated almost equally between the old and the new universities.

The introduction of this new funding stream by raiding the existing research stream will not, of course, be universally popular; but we urge its serious consideration by the funding councils with, we hope, government encouragement in favour of diversity of mission, in order to meet the essential needs for high quality, equity between universities and the future financial stability of the university system as a whole.

The writer, Master of Selwyn College, Cambridge, chaired a working group on university research by the British Academy, the Conference of Medical Royal Colleges, the Royal Academy of Engineering and the Royal Society.

## Kafka at large in Clwyd

The Welsh Secretary must rescue a child abuse report from the shredder, says Rhodri Morgan

John Jillings, the former J director of social services at Derbyshire County Council, and two distinguished colleagues have spent most of the past two years drawing up a 300-page report on the child abuse scandal in Clwyd, North Wales. Clwyd County Council commissioned it. It cost more than £500,000 to compile.

If William Hague, the Secretary of State for Wales, doesn't step in soon, all copies of the report, even including Jillings's own copy, will be hauled back to Shire Hall, Mold, and fed through the county council's paper shredder. Is there any hope for child protection if our political system allows Kafkaesque acts of mass evidence destruction?

Mr Hague has been sent a copy. If he places it in the Library of the House of Commons, not only is the report saved from the shredder, but MPs can read it, debate it, copy chunks of it, quote from it and generally ensure that the right lessons are learned.

How important is the report? On the child-abuse Richter scale, Clwyd must rate much higher than the Staffordshire Pindown scandal and the Frank Beck case in Leicestershire. Seven men have been convicted of paedophile offences, committed while they were working in children's homes in Clwyd. None received sentences of less than four years.

The criminal trials did not and could not look at the patterns and linkages, neither between the defendants themselves, nor with any wider paedophile rings. That was why the then Chief Constable of North Wales, David Owen, called for a judicial inquiry on September 4 1992. That was also why, three days later, the Welsh Office minister responsible for health and social services issued a statement saying: "I have concluded that a public inquiry is necessary to consider the matter fully."

The only caveat was that the inquiry could not start until the criminal trials were finished, but when they did, something curious happened. Nicola Davies QC was commissioned to advise, after an "examination of relevant papers held by the various agencies concerned, whether an inquiry is required". Her conclusions were that inquiries were in her experience traumatic for all concerned and would not help Clwyd and Gwynedd to improve their present child care practice. She made no reference to the ministerial undertaking of Sep-

tember 1992 to have such an inquiry and did not appear to be aware of it. In addition, the inquiry that she advised against, into whether Clwyd and Gwynedd were presently failing children in care, was much narrower than the one promised by the Welsh Office in September 1992.

The county council meantime pressed ahead with its own inquiry, but without powers of subpoena and no access to North Wales Police files, nor to reports from the Welsh Office Social Services Inspectorate. But, there will, we all thought, at least be some kind of report into the scandal.

The gods who protect paedophiles rings from investigation then came up with their most ingenious trick yet. Clwyd County Council was insured by Municipal Mutual. They had got into serious financial difficulties in 1991-92, partially because of huge payouts to children abused in Staffordshire and Leicestershire children's homes.

They were in an insurance limbo known as "solvent run-off", unable to write new business, but still meeting old claims. Clwyd County Council was itself to disappear on 1 April this year under local government re-organisation. When semi-solvent insurance company meets disappearing county council, child protection is unlikely to come top of the priorities.

Should insurance companies have the ability to veto publication of independent reports into local government scandals? Westminster City Council has published its report into its own asbestos-ridden flats-for-homeless-families scandal and is reported to be in serious difficulties with Commercial Union.

Insurance companies' fears of adding to the number of claims is understandable. Child protection and open government are far more important. That is why William Hague must step in and save the Jillings report from the shredder.

The writer is the Labour MP for Cardiff West.

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## A big wheel for London

Peter Popham welcomes a bit of vulgarity on the river

foggy, recently appointed to a second term as chairman of the Royal Fine Arts Commission, is dead against it. The 20th Century Society wants to freeze the South Bank Art Centre's concrete brutalism just the way it is; they will be gnashing their teeth over the marmalade this morning. All that's required is for the Prince of Wales to liken it to something grotesque - an old bicycle wheel hauled up from the riverbed by some unfortunate angler - and the grounds for pressing ahead will be overwhelming.

But the grounds are in any case very strong. As the architect Peter Gough has pointed out, there has always been a dichotomy between the dignitas of the Thames's North Bank - Parliament, Big Ben, Somerset House and so on - and the frivolity of the South Bank, with its art and theatre, its television studios and Oxo Tower. For centuries the contrast was much more stark than it is today, from the bear baiting of the Globe and the flirtation and drunkenness at Vauxhall Gardens to the roller coasters of Battersea Fun Fair.

In recent times, the contrast has become blurred: the bears, the gardens and the fun fair are all gone, the brutalism, so daring in its day, has become respectable; the new Tate planned for Bankside Power Station promises an infusion of high Modernist worthiness, never a recipe for fun and games. The only dollop of frivolity, confusingly, is Terry Farrell's timescent Charing Cross station, on the north side.

The giant wheel will help to restore this interesting and meaningful con-

trast between the two sides of the river. It will grant Londoners and others the best imaginable views of the city - views previously available only to those with access to helicopters. It will bring visitors flocking back to a quarter that, for all its centrality, too often threatens to slide into decrepitude and irrelevance.

One caveat is the form of the latest version of the wheel not a little too refined, a little too High Modernist? We don't want BA logos (corporate flag-waving should be confined to the inflight magazine and the sick bags) but a little more pizzazz, a little more vulgarity would be in order. It's an exaggeration to say that the wheel will restore London to its citizens: no mere structure can do that. But its presence will give a lift to the new millennium and a view of the task before us.

It is easy to imagine what will go wrong. It will break down on the first day. Stunned by the view, a little old lady will have a heart attack at the top. A small IRA bomb will go off in one of the gondolas, after which it will remain, standing but unmoving and unusable, a monument to futility - like the rotating cafe in the Telecom Tower, which closed permanently soon after it opened, following a bomb attack, and has remained stubbornly shut ever since.

Some such eventualities are all too likely - and it is partly the chance of defying them that makes the giant wheel such a South Bank Ferris wheel. It is also a welcome attractive proposal. It is also a welcome opportunity to frustrate entrenched interests who have set their faces against London's propensity to change. Lord St John of Fawley, arch-







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## Foreign Exchange Rates

STERLING				DOLLAR				D-MARK			
Country	Spot	1 month	3 months	Country	Spot	1 month	3 months	Country	Spot	1 month	3 months
US	15082	8-6	20-17	US	13573	2-1	3-0	US	65821		
UK	20470	11-5	30-37	UK	15082	28-25	30-26	UK	10000		
Germany	27267	55-48	77-77	Germany	52363	64-67	64-54	Germany	13948		
France	27268	55-48	77-77	France	52363	64-67	64-54	France	13948		
Italy	23750	55-48	77-77	Italy	52363	64-67	64-54	Italy	13948		
Spain	6533	75-75	225-218	Spain	6533	75-75	225-218	Spain	6533		
Belgium	12162	6-5	45-40	Belgium	12162	6-5	45-40	Belgium	12162		
Denmark	46769	2-5	34-39	Denmark	46769	2-5	34-39	Denmark	46769		
Netherlands	87026	35-35	401-377	Netherlands	87026	35-35	401-377	Netherlands	87026		
Sweden	21448	10-10	25-25	Sweden	21448	10-10	25-25	Sweden	21448		
Ireland	109579	9-5	25-20	Ireland	109579	9-5	25-20	Ireland	109579		
Portugal	38250	18-14	329-323	Portugal	38250	18-14	329-323	Portugal	38250		
Greece	39173	25-25	72-69	Greece	39173	25-25	72-69	Greece	39173		
Switzerland	1082	5-5	23-24	Switzerland	1082	5-5	23-24	Switzerland	1082		
Hong Kong	18550	88-40	67-65	Hong Kong	18550	88-40	67-65	Hong Kong	18550		
South Africa	1958	10-10	25-25	South Africa	1958	10-10	25-25	South Africa	1958		
Japan	16365	10-11	226-170	Japan	16365	10-11	226-170	Japan	16365		
Malaysia	37354	0-0	0-0	Malaysia	37354	0-0	0-0	Malaysia	37354		
Singapore	21448	45-47	33-35	Singapore	21448	45-47	33-35	Singapore	21448		
Saudi Arabia	56559	0-0	0-0	Saudi Arabia	56559	0-0	0-0	Saudi Arabia	56559		
Sri Lanka	21273	0-0	0-0	Sri Lanka	21273	0-0	0-0	Sri Lanka	21273		

OTHER SPOT RATES			
Country	Spot	1 month	3 months
Argentina	15071	03992	
Australia	100336	10151	
Brazil	14958	00892	
Canada	15071	03992	
China	5063	34088	
Denmark	21448	10-10	
France	27268	55-48	
Germany	27268	55-48	
Greece	39173	25-25	
Hong Kong	18550	88-40	
India	1958	10-10	
Indonesia	16365	10-11	
Italy	23750	55-48	
Japan	16365	10-11	
Korea	21273	0-0	
Malaysia	37354	0-0	
Philippines	21448	45-47	
Portugal	38250	18-14	
Russia	76287	00892	
South Africa	1958	10-10	
Switzerland	1082	5-5	
Taiwan	1082	5-5	
Thailand	1082	5-5	
UK	20470	11-5	
USA	15082	8-6	

Notes: Forward rates quoted here are based on a discount (premium) basis. Other rates quoted are spot rates. All rates are for 100 units of the foreign currency against 1 US dollar. All rates are for 100 units of the foreign currency against 1 US dollar. All rates are for 100 units of the foreign currency against 1 US dollar.

## Tourist Rates

Country	1 month	3 months	6 months	1 year
Argentina	15071	03992		
Australia	100336	10151		
Brazil	14958	00892		
Canada	15071	03992		
China	5063	34088		
Denmark	21448	10-10		
France	27268	55-48		
Germany	27268	55-48		
Greece	39173	25-25		
Hong Kong	18550	88-40		
India	1958	10-10		
Indonesia	16365	10-11		
Italy	23750	55-48		
Japan	16365	10-11		
Korea	21273	0-0		
Malaysia	37354	0-0		
Philippines	21448	45-47		
Portugal	38250	18-14		
Russia	76287	00892		
South Africa	1958	10-10		
Switzerland	1082	5-5		
Taiwan	1082	5-5		
Thailand	1082	5-5		
UK	20470	11-5		
USA	15082	8-6		

## Interest Rates

Country	Bank	Rate	Country	Bank	Rate	Country	Bank	Rate
UK	Bank	0.00%	Germany	Bank	3.00%	US	Bank	0.00%
France	Bank	0.00%	Denmark	Bank	5.00%	France	Bank	0.00%
Italy	Bank	0.00%	Portugal	Bank	10.00%	Italy	Bank	0.00%
Spain	Bank	0.00%	Spain	Bank	10.00%	Spain	Bank	0.00%
Belgium	Bank	0.00%	Belgium	Bank	10.00%	Belgium	Bank	0.00%
Netherlands	Bank	0.00%	Netherlands	Bank	10.00%	Netherlands	Bank	0.00%
Sweden	Bank	0.00%	Sweden	Bank	10.00%	Sweden	Bank	0.00%
Ireland	Bank	0.00%	Ireland	Bank	10.00%	Ireland	Bank	0.00%
Portugal	Bank	0.00%	Portugal	Bank	10.00%	Portugal	Bank	0.00%
Greece	Bank	0.00%	Greece	Bank	10.00%	Greece	Bank	0.00%
Switzerland	Bank	0.00%	Switzerland	Bank	10.00%	Switzerland	Bank	0.00%
Hong Kong	Bank	0.00%	Hong Kong	Bank	10.00%	Hong Kong	Bank	0.00%
South Africa	Bank	0.00%	South Africa	Bank	10.00%	South Africa	Bank	0.00%
Japan	Bank	0.00%	Japan	Bank	10.00%	Japan	Bank	0.00%
Malaysia	Bank	0.00%	Malaysia	Bank	10.00%	Malaysia	Bank	0.00%
Singapore	Bank	0.00%	Singapore	Bank	10.00%	Singapore	Bank	0.00%
Saudi Arabia	Bank	0.00%	Saudi Arabia	Bank	10.00%	Saudi Arabia	Bank	0.00%
Sri Lanka	Bank	0.00%	Sri Lanka	Bank	10.00%	Sri Lanka	Bank	0.00%

## Bond Yields

Country	Bank	Rate	Country	Bank	Rate	Country	Bank	Rate
UK	Bank	0.00%	Germany	Bank	3.00%	US	Bank	0.00%
France	Bank	0.00%	Denmark	Bank	5.00%	France	Bank	0.00%
Italy	Bank	0.00%	Portugal	Bank	10.00%	Italy	Bank	0.00%
Spain	Bank	0.00%	Spain	Bank	10.00%	Spain	Bank	0.00%
Belgium	Bank	0.00%	Belgium	Bank	10.00%	Belgium	Bank	0.00%
Netherlands	Bank	0.00%	Netherlands	Bank	10.00%	Netherlands	Bank	0.00%
Sweden	Bank	0.00%	Sweden	Bank	10.00%	Sweden	Bank	0.00%
Ireland	Bank	0.00%	Ireland	Bank	10.00%	Ireland	Bank	0.00%
Portugal	Bank	0.00%	Portugal	Bank	10.00%	Portugal	Bank	0.00%
Greece	Bank	0.00%	Greece	Bank	10.00%	Greece	Bank	0.00%
Switzerland	Bank	0.00%	Switzerland	Bank	10.00%	Switzerland	Bank	0.00%
Hong Kong	Bank	0.00%	Hong Kong	Bank	10.00%	Hong Kong	Bank	0.00%
South Africa	Bank	0.00%	South Africa	Bank	10.00%	South Africa	Bank	0.00%
Japan	Bank	0.00%	Japan	Bank	10.00%	Japan	Bank	0.00%
Malaysia	Bank	0.00%	Malaysia	Bank	10.00%	Malaysia	Bank	0.00%
Singapore	Bank	0.00%	Singapore	Bank	10.00%	Singapore	Bank	0.00%
Saudi Arabia	Bank	0.00%	Saudi Arabia	Bank	10.00%	Saudi Arabia	Bank	0.00%
Sri Lanka	Bank	0.00%	Sri Lanka	Bank	10.00%	Sri Lanka	Bank	0.00%

## Money Market Rates

Country	Bank	Rate	Country	Bank	Rate	Country	Bank	Rate
UK	Bank	0.00%	Germany	Bank	3.00%	US	Bank	0.00%
France	Bank	0.00%	Denmark	Bank	5.00%	France	Bank	0.00%
Italy	Bank	0.00%	Portugal	Bank	10.00%	Italy	Bank	0.00%
Spain	Bank	0.00%	Spain	Bank	10.00%	Spain	Bank	0.00%
Belgium	Bank	0.00%	Belgium	Bank	10.00%	Belgium	Bank	0.00%
Netherlands	Bank	0.00%	Netherlands	Bank	10.00%	Netherlands	Bank	0.00%
Sweden	Bank	0.00%	Sweden	Bank	10.00%	Sweden	Bank	0.00%
Ireland	Bank	0.00%	Ireland	Bank	10.00%	Ireland	Bank	0.00%
Portugal	Bank	0.00%	Portugal	Bank	10.00%	Portugal	Bank	0.00%
Greece	Bank	0.00%	Greece	Bank	10.00%	Greece	Bank	0.00%
Switzerland	Bank	0.00%	Switzerland	Bank	10.00%	Switzerland	Bank	0.00%
Hong Kong	Bank	0.00%	Hong Kong	Bank	10.00%	Hong Kong	Bank	0.00%
South Africa	Bank	0.00%	South Africa	Bank	10.00%	South Africa	Bank	0.00%
Japan	Bank	0.00%	Japan	Bank	10.00%	Japan	Bank	0.00%
Malaysia	Bank	0.00%	Malaysia	Bank	10.00%	Malaysia	Bank	0.00%
Singapore	Bank	0.00%	Singapore	Bank	10.00%	Singapore	Bank	0.00%
Saudi Arabia	Bank	0.00%	Saudi Arabia	Bank	10.00%	Saudi Arabia	Bank	0.00%
Sri Lanka	Bank	0.00%	Sri Lanka	Bank	10.00%	Sri Lanka	Bank	0.00%

## Life Financial Futures

Contract	Settlement price	High/Low for day	Est/Cont	Open Interest
Long Gilb	105.29	105.04	56391	15309
German Bond	98.85	98.82	16722	15309
Italian Bond	115.88	115.85	45216	50206
UK Sterling	133.86	133.83	18326	55989
3M Euro Eur	96.78	96.75	16528	25561
3M Euro Eur	96.78	96.75	16528	25561
3M Euro Eur	96.78	96.75	16528	25561
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3M Euro Eur	96.78	96.75	16528	25561
3M Euro Eur	96.78	96.75	16528	



# National Power takeover fever grips market

MARY FAGAN  
Industrial Correspondent

Takeover fever gripped the electricity sector last night amid speculation that National Power, the largest generator, is being targeted for a £7bn-plus bid. Ordinary shares in the company soared by 27p to 517p and the partly paid by 30p to 387p, boosting the company's market worth by £466m to £7.3bn.

City analysts speculated that US utilities, including Southern Company, could be potential predators. A bid for National Power would require the approval of the Government, which retains a golden share in the company. Agreement by ministers to a takeover, particularly by a foreign group, would almost certainly cause a political furore. It is just over a year since the Government sold its last stakes in National Power and PowerGen for £4bn.

A team from SBC Warburg, the merchant bank which last year advised Southern on its £1.1bn bid for Sweb, was last night locked in meetings and un-

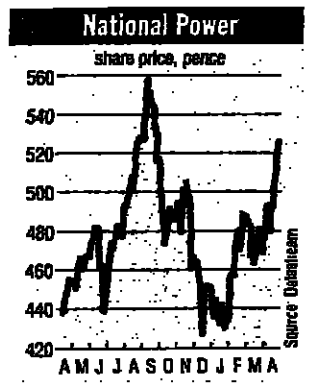
able to comment. Some City analysts said that National Power, headed by John Baker, would be too big a target for Southern on its own but there was also speculation over a potential joint takeover. Some analysts think Southern Electric would be willing to dispose of some of National Power's generators over and above that planned by the company itself.

Within the industry the speculative talk yesterday focused on the arrangement of a rumoured \$1.2bn (£86m) loan facility by

banks including Barclays de Zoete Wadd and SBC Warburg. Other names mentioned amid the bid fever included Houston Industries, Pacific Gas and Electric and Mission Energy of the US. One analyst said potential European predators could include Spain's Endesa and Electricité de France. "We are seeing the sort of smoke that we rarely see in this industry without fire. The reason National Power's name has not been in the frame before is simply its size," he added.

The bid flames were fanned earlier in the day following reports that Southern Company of the US was close to selling a large stake in South Western Electricity with a view to making further investments.

Bill Dahlberg, Southern's chairman, said it had no intention of losing control at Sweb, which it bought for £1.1bn last year. But he said it would be "advantageous" to sell a minority interest "to regain some of our financial investment and then reinvest that on other quality companies like Sweb".



A big target: John Baker, chairman of National Power (left), and Brian Birkenhead, finance director

Mr Dahlberg did not comment on the generation business, although Southern is thought to have been keen at one time to buy power plants being sold by National Power under pressure from the regulator. Professor Stephen Littlechild, Mr Dahlberg added that he did not envisage buying another UK regional electricity firm "at this point".

National Power declined to comment on the rumours. A spokesman for Southern Com-

pany refused to respond to speculation that it might bid for a British company following disposal of the Sweb stake. There was talk in the City earlier that Southern may seek to acquire South West Water, which faces potential rival bids by Severn Trent Water and Wessex Water.

Mr Dahlberg had said he saw "an opportunity coming in pretty quickly to bring in water business in a country outside the US".

The rumours emerged at a sensitive time for National Power, which is awaiting the Government's response to a Monopolies and Mergers Commission report on its proposed takeover of Southern Electric of the UK. Ministers were outraged at the end of last week following the leak of the MMC report on the National Power takeover. The *Economist* magazine reported that the MMC had recommended that the Government approve Na-

tional Power's takeover of Southern and that of Midlands Electricity by PowerGen.

Separately, Utilicorp of the US said it would buy out the remaining 25 per cent of its UK subsidiary, which has gas marketing joint ventures with several regional electricity firms. The stake, thought to be worth about £15m, was owned by a company called Norland Gas, whose directors included Sir Ian MacGregor.

## Woolwich details Robinson claims

NIC CICUTTI

Lawyers for Peter Robinson, the Woolwich chief executive whose recent shock resignation following claims of financial irregularities rocked the society, have received the first documents detailing the allegations against him.

DJ Freeman, solicitors to Mr Robinson, said yesterday the first batch of papers had been handed over by Linklaters & Paines, who act for Woolwich. Mr Robinson was believed to have met barristers yesterday to prepare his defence against claims that he misused society resources. However, he has resisted calls to appear at the society's annual meeting in London tomorrow, arguing that such a move would be counter-productive for himself and Woolwich.

It is understood that the documents handed on behalf of Woolwich to DJ Freeman are only the first in a series relating to his case.

More papers are likely to be submitted by Linklaters & Paines in the next few weeks, including a separate report by the accountancy firm KPMG, brought in as external auditors by Woolwich to examine the matter in more detail.

Sources within Woolwich have alleged that Mr Robinson used society gardeners to carry out work on the grounds of his property, in the village of Brasted, Kent, as well as internal decorating work on his £450,000 home. It is also claimed that he wrongly obtained the use of a Range Rover for his family.

Mr Robinson, who was forced to resign suddenly two weeks ago after just three months in his new job, denies the allegations, which he argues are part of a vendetta from disgruntled employees who are aiming to smear him.

He is insisting on compensation for the sudden end of his two-year revolving contract, worth about £300,000 a year.

## Optimism over economy spurs shares to a record

DIANE COYLE  
Economics Editor

Shares in London celebrated encouraging figures on the economy, climbing for the third day running to set another record. The FT-SE 100 index ended the day 34.8 points higher at 3,825.3, helped by a strong start on Wall Street.

Retailers were among the best performers in London, boosted by Monday's upbeat report on sales last month from the British Retail Consortium

and good results from the supermarket chain Tesco. Property shares benefited from brighter news from estate agents, who said March saw the strongest housing market activity for two years.

Many analysts who had not expected the FT-SE 100 to pass the 3,800 mark before mid-year have begun to set their sights on the target of 4,000. Economists expect most of the figures due this week, including unemployment, earnings and retail prices, to be helpful. How-

ever, the full-year figures for government borrowing could be disappointing for the gilt market. It will also scrutinise the minutes released today of the meeting on 7 March between Kenneth Clarke and Eddie George for hints about the Bank of England's attitude to further reductions in the cost of borrowing.

Investors are reacting to hopes that the economy is improving enough to help the Conservatives start climbing out of the electoral doldrums.

"There is a feeling that the market was discounting political risks. The FT-SE 100 bears the brunt of the changes in political sentiment," Philip Isherwood, equity strategist at Kleinwort Benson, said.

Robert Barrie at BZW said it was increasingly clear there was a pick-up in the economy that would help corporate profits. "The pause in growth has been enough for some firms, so there could be quite a bounce back in corporate earnings. There were fresh signs yes-

terday of buoyancy in the economy. Optimism among small businesses leapt in the three months to February, according to a quarterly survey of 1,700 small businesses by the office supplier Office World.

The survey's poll of the voting intentions of the small business owners also signalled the first increase in the Conservatives' share since November 1994. It climbed 4 points to 31.7 per cent, with Labour's standing unchanged at 35.5 per cent.

Separately, new construction

orders jumped 9 per cent in the three months to February compared with the previous three, according to the Department of the Environment. They were 11 per cent higher than the same period a year earlier despite falling in January and February.

Wall Street's strength underpinned the rise in London share prices. The Dow Jones index was more than 14 points higher at 5,607.37 by mid-morning, helped by some strong first-quarter corporate results. They included the car giant

Chrysler, which reported first-quarter earnings of \$1.01bn and record revenues of \$15bn, well above analysts' expectations. Other contributors to the Dow's advance were rises in Eastman Kodak and IBM.

There was additional evidence that the US economy was steadily recovering from its earlier slowdown. A 0.5 per cent drop in industrial output in March resulted from the strike at General Motors. Adjusting for the strike, output grew 0.3 per cent.

## Tesco stays top grocer with profit of £681m

NIGEL COPE

Tesco strengthened its position as Britain's leading grocery retailer yesterday when it reported a 14.5 per cent surge in profits to £681m, along with a bullish message on current trading and an increase in spending on new stores and refurbishments.

Tesco claims that it has increased its share of the UK grocery market from 12 per cent last year to 13.6 per cent, maintaining its lead over Sainsbury's. Sainsbury's has yet to release its figures but had a share of 11.5 per cent last year.

However, the petrol price war is causing some damage and will cost Tesco up to £30m this year as the company moves to match the Esso PriceWatch campaign. David Malpas, Tesco's managing director, said: "Our feeling is that the present price position will continue for another 18 months or so and it will be uncomfortable. But we intend to be one of the people left standing at the end of it and hope to emerge in a stronger position. We won't be beaten on price." Elsewhere, the BSE scare on beef has cost Tesco up to £10m so far on discounted stock and the cost of increasing supplies of other meats.

The baked beans battle, with the price of a can falling to 3p, is proving a significant loss-maker as Tesco buys its beans at 14p a can. It is continuing to ration shoppers to four tins per customer to maintain stocks. "It's a very silly situation and we hope it won't continue for too long," Mr Malpas said.

As well as reporting that its Clubcard loyalty scheme had now signed up 8.5 million members since its launch last year, Tesco unveiled an aggressive store opening programme.

It will open 24 new stores this year including 10 supermarkets, up to six city-centre Tesco Metros and six branches of Tesco



Sir Ian MacLaurin: Sales up by nearly 9 per cent

Express, the new format where a petrol station has a convenience store attached. Mr Malpas said the Metro stores were profitable in spite of the higher rents in prime locations. He added that the Express format appeared popular with customers although its performance had been clouded by the petrol price war. Seven stores will be opened in Europe. Capital expenditure will rise above £700m this year, ahead of expectations and higher than last year's figure of £649m. Profits of £681m, excluding a £6m loss on disposal of fixed assets, were struck on a 20 per cent increase in group sales to £13bn in the year to 24 February. The dividend rose by 11.6 per cent to 9.6p. The shares fell 3p to 287p.

Investment column, page 22

## Gas names new service chief

MARY FAGAN  
Industrial Correspondent

The changes sweeping through British Gas continued yesterday with the appointment of a new chief for its service business - a division that was heavily criticised for its performance during the winter freeze.

Roger Wood, who until now has been managing director of Matra Marconi, replaces David Wells, who is to retire early from the company after 27 years. British Gas said that there was no payoff for Mr Wells, who is 55 and who will work alongside Mr Wood until the early autumn this year.

Earlier this year British Gas came under fire for leaving customers waiting for days to have repairs carried out, even where they had paid around £100 for "three-star" service contracts. Customers who believed they were entitled to priority treatment were left without heating during the freeze, prompting an attack from the Gas Consumers Council, which said it had warned well in advance that the problem might occur.

The appointment of a new managing director from outside the gas industry will be seen as a further attempt by British Gas to repair its damaged image. British Gas said Mr Wood had "wide experience in competitive customer-focused businesses" including ICL, the UK com-

puter company owned by Fujitsu of Japan, and STC, the telecommunications group.

During his time at STC he worked with Roy Gardner, British Gas director responsible for business trading operations, who is viewed increasingly as a key figure in the management team.

Mr Gardner said: "David Wells has done an excellent job in establishing British Gas Service as a separate business within British Gas. We now look to Roger Wood to build on that achievement and carry the business forward."

British Gas has suffered a series of problems and public relations fiascos since the end of 1994. Its fall from grace in the eyes of customers has shocked both the company and City analysts. British Gas has blamed the drop in standards of service on its radical restructuring to meet the changing shape of the UK gas market.

The group now faces the prospect of domestic competition starting with a pilot area in the South-west on 29 April. Clare Spottiswoode, the industry watchdog, has warned that British Gas will have to act to reassure customers to prevent them leaving the company in large numbers as competitors come on stream.

So far only about 30,000 people from an area covering 500,000 households have opted to leave British Gas.

## Red-faced RJR raider retreats

DANIELLE ROBINSON  
New York

Bennett LeBow, the US investor and corporate raider, yesterday staged an embarrassing 11th-hour climb-down in his six-month battle to split RJR Nabisco Holdings Corporation into separate food and tobacco businesses.

He was set to team up with fellow corporate raider Carl Icahn to launch a bitter proxy fight at today's RJR annual meeting. Mr LeBow said he called off his fight after failing to win enough votes to elect his board nominees.

His plan was to oust current RJR board members, replace them with people sympathetic to his and Mr Icahn's views and then spin off Nabisco, the food business.

That would have left RJR with the tobacco company RJ Reynolds, which he then wanted to merge with cigarette manufacturer Liggett Group, a subsidiary of his company Brooke Group, of which he is chairman.

But as RJR Nabisco braced itself for one of its most volatile shareholder meetings, Mr LeBow said yesterday, "Although this is disappointing, it comes as no surprise. We always knew we were facing an uphill battle."

The news is a big coup for RJR, which broke records in 1989 as the world's largest

leveraged buyout when KKR took it over for \$25bn.

Mr Icahn and Mr LeBow together control about 19 million shares, equal to about 7 per cent of RJR, making them the second-largest shareholders.

Both men are notorious for buying up strategic stakes in companies in a bid to force management to execute actions that benefit their own business objectives.

This time, however, neither seem to have any specific plans regarding RJR, apart from continuing to loudly voice their opinions. Mr LeBow attempted to redeem himself yesterday by arguing that his six-month fight with RJR forced the company to restore some shareholder rights and announce an increased dividend and a modest share repurchase programme. "It's no doubt that without the pressure we applied - managers would not have gone that far," he said.

He said he would continue to demand that RJR spin off Nabisco now. "We still believe in a Nabisco spin-off and we are still convinced that it can and should be done," he said.

Last January RJR floated a 19.5 per cent stake in Nabisco. The move was structured to allow RJR to spin off the remaining Nabisco shares at a future date on a tax-free basis.

However, the RJR board will not consider a complete spin-off until 1997 or 1998.

STOCK MARKETS									
FT-SE 100			Dow Jones			Nikkei			
Index	Close	Day's change	Index	Close	Day's change	Index	Close	Day's change	Index
FTSE 100	3825.30	+34.80	+0.9	2825.30	3629.50	3.88			
FTSE 250	4458.50	+41.80	+0.9	4458.50	4015.30	3.33			
FTSE 350	1925.70	+17.70	+0.9	1925.70	1816.80	3.76			
FT Small Cap	2143.90	+13.53	+0.6	2143.90	1954.06	3.02			
FT All Share	1903.18	+17.87	+0.9	1903.18	1791.85	3.70			
New York	5613.15	+20.23	+0.4	5689.74	3832.08	2.17			
Tokyo	21868.17	-14.87	-0.1	21883.04	19734.70	0.71			
Hong Kong	11032.98	+83.41	+0.8	11032.98	10073.39	3.30			
Frankfurt	2538.38	-7.56	-0.3	2545.84	2253.88	1.84			

Source: FT Information

INTEREST RATES									
Short sterling			UK medium gilt			US long bond			
Index	1 Month	1 Year	Index	1 Month	1 Year	Index	1 Month	1 Year	Index
UK	5.94	6.31	8.04	8.32	8.14	8.33			
US	5.38	5.94	6.49	7.03	6.91	7.39			
Japan	0.47	1.06	3.29	3.19	-	-			
Germany	3.31	3.31	6.40	7.04	7.15	-			

CURRENCIES									
\$/£			\$/DM			£/¥			
Index	Yesterday	Change	Index	Yesterday	Change	Index	Yesterday	Change	Index
\$/£	1.5082	+0.04c	1.6128	\$/DM	0.6630	-0.02	0.6200		
\$/DM	1.5075	-0.15c	1.8159	£/¥	0.00833	-0.06	0.00833		
DM/£	2.2757	-0.08p	1.3877	DM/£	1.5096	-0.08p	1.3877		
£/¥	163.119	-0.284	131.476	¥/£	108.155	-0.22	81.540		
¥/£	83.6	unch	84.1	¥/£	86.0	-0.1	86.9		

OTHER INDICATORS									
Oil Brent \$			RPI			Base Rates			
Index	Yesterday	Change	Index	Yesterday	Change	Index	Yesterday	Change	Index
Oil Brent \$	19.50	-2.33	18.35	RPI	150.9+2.7p	146.9	18 Apr		
Gold \$	382.30	-0.7	393.90	GDP	107.0+2.0pc	106.1	29 Apr		
Gold £	280.11	-0.53	244.23	Base Rates	-	6.00pc	6.75		

MAIN PRICE CHANGES									
Rises			Falls			% Change			
Index	Price	% Change	Index	Price	% Change	Index	Price	% Change	Index
National Power	521.5	31.5	6.4	RMC Group	1060	33	3.0		
Celltech Group	536	32	6.3	Medeva	237	6	2.5		
Wilson(C) Higgs	180	10	5.9	Courtaulds	438	10	2.2		

**UNIT TRUST PRICES**  
Starting today (on page 19) a fuller list of unit trust prices will appear on Wednesdays as well as on Saturdays.

**NOW IN THE NORTH**

**SEE PAGE 26**

**IN TODAY'S**

**LEGAL APPOINTMENTS SECTION**

**ZMB**

ZABAK

MACRAE

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## Power by courtesy of good ol' Atlanta, Georgia



### COMMENT

'Presented as a genuine merger to create a new world-class transatlantic company in power generation and distribution, it might just about be possible to sell this deal to a sceptical Parliament'

Those good ol' boys from Atlanta, Georgia, the people who took over South Western Electricity last year, are an ambitious lot. But have they the stomach for Britain's largest power generator, National Power? That was the buzz in the stock market last night - a £7.5bn bid for National Power from Southern Company of the US. Sounds ridiculous, doesn't it? Surely the Government would never wear it? With no approach yet made to National Power, which is working on plans to renew its bid for the rather smaller Southern Electric of the UK, nor on the face of it would the company.

But just listen to this. Where there's a will there's a way. Properly presented, as a genuine merger to create a new world-class transatlantic company in power generation and distribution, it might just about be possible to sell this deal to a sceptical Parliament. Everyone else is merging, growing bigger and going global. Why confine power generation to its narrow domestic market?

Capitalised at more than \$15bn, Southern Company of the US could certainly afford to bid, highly geared though utilities tend to be in the US. But plainly it needs to tread carefully. If it were to charge in with a hostile takeover, it probably wouldn't stand a chance. This is a government desperate to hang on to power for as long as it takes for that elusive feel-good factor to show through in the polls. Ministers are hardly going to

allow a highly charged City takeover battle to upset the apple cart.

Ideologically, they may not care very much if more than a quarter of Britain's generating capacity ends up in American hands. This government's view of these things has long been the purist one that provided the utilities are properly run and regulated, it doesn't really matter where they are owned and by whom. However, with the Government's parliamentary majority virtually nonexistent, ideology is not the guiding factor.

Labour MPs would not be the only ones throwing up their hands in horror. There would be plenty of Little Englander Tories joining them. Quite how the Government would choose to exercise its golden share in these circumstances is anyone's guess. To make this deal work at all, therefore, Southern has to sell it as a genuine partnership, with a real and very senior role for British management in the merged company. Could it be made to work? Much stranger and more difficult transactions than this one have. So why not? The balls are rolling. All depends on whether National Power's John Baker is prepared to play.

### PFI critique is a familiar one

The poor old Private Finance Initiative has taken such a battering of late that Sir Alastair Morton, its erstwhile chairman,

must be sorely tempted to forget about Eurotunnel's woes for a moment and re-enter the fray. The PFI has all the hallmarks of a financial nightmare in the making almost too good for a bruiser like Sir Alastair to miss. If he did bring his crisis management skills to bear again he would find himself on familiar territory - trapped between duplicitous ministers on the one hand and whingeing building contractors on the other, with MPs sniping from the rocks.

The latest critique of the PFI from the Commons Treasury Committee journeys along a familiar road. Despite one curious and out-of-context reference to the PFI as "very imaginative and laudable", the MPs make it pretty plain that it will be time for the concrete overshoes sooner rather than later unless things start to go right.

There are two schools of thought about the PFI, both of which get a good airing in the committee's report. One is that the PFI will fail miserably to live up to expectations, leaving an embarrassing and large hole in capital spending plans for this government or, more probably, its successor to pick up.

The other is that the PFI succeeds beyond everyone's wildest dreams and results in a deferred public spending binge of such huge and yet unquantifiable proportions that it would bring a blush to the face around at the Building Employers Confederation.

The beauty of the PFI is that it brings private sector efficiency to public sector procurement in a way that almost certainly

leaves the taxpayer better off. The drawback is that it in effect turns capital expenditure today into current expenditure tomorrow because instead of paying to get things built, the state pays for them to be run.

This in turn skews investment decisions because projects are selected more on the basis of profitability than need. There is no reason why the profit motive and planned long-term investment in the infrastructure cannot co-exist and produce the right result.

The problem, as the MPs point out, is that no one will know until either the Isle of Wight has been turned into a penal colony because nobody is building prisons or conversely half the country is incarcerated in shiny new cells courtesy of Michael Howard and over-zealous private contractors. With a choice between the PFI fizzling out after all the hype or storing up a public deficit problem of mind-boggling proportions for the next generation, it is easy to see which way things will go. It will not be the first time a government has mortgaged the future.

### A simple idea watered down

By far the most interesting idea in yesterday's consultative document from the DTI on shareholders' rights came from the National Association of Pension Funds, which has proposed making it easier for pension funds to appoint speakers on the floor

at AGMs. At present it is hard for nominee companies - run by big fund managers to hold shares on behalf of their pension fund clients - to appoint more than one representative to speak from the floor, because of difficulties with the Companies Act. Yet that nominee company may be responsible for shares owned by many different sets of pension fund trustees.

A change in the law to make it easier for the nominee company to appoint multiple representatives to speak at the AGM on behalf of the beneficial owners of the shares would give individual pension funds and their trustees much greater access to the floor of the meetings. Instead of a big fund management group making an anodyne contribution - if it says anything at all - the trustees of client funds would be able to send their own people in to speak. Initiatives like this, giving the real owners of institutional money a greater say, are a move in the right direction for shareholder democracy.

As for the rest of the document, unfortunately it shows how easily the best Whitehall minds can water down a simple idea. The Employment Select Committee wanted companies to be made to pay for shareholder resolutions at annual meetings. The DTI has come up with a yes, but... It thinks resolutions should be included with annual report mailings to save costs of up to £100,000 for a big shareholder register. Not much good if your resolution has been prompted by what's in the accounts.

## Conservative MPs attack public finance initiative

MICHAEL HARRISON

A Conservative-dominated committee of MPs yesterday launched a scathing attack on the Government's Private Finance Initiative and called on the Chancellor to re-think the cornerstone of the scheme - that no capital spending projects be approved unless they have been considered for PFI funding.

The Commons Treasury Committee also voiced concern that the PFI may not meet its target of funding £14bn worth of public projects by 1999 - jeopardising scores of health, transport and education programmes.

Despite fresh measures announced two weeks by Michael Jack, the Financial Secretary, to

strengthen the PFI, the MPs levelled a series of criticisms at the initiative.

They expressed particular concern that the PFI could end up distorting investment decisions and making long-term planning of the infrastructure more difficult because the private sector would select projects on the basis of profitability, not need.

The MPs also warned that the PFI could result in public spending running out of control because of the way private contractors fund the capital cost of projects and then receive payments from the Government for running and maintenance.

The PFI was launched in 1992 with a pledge by the then-Chancellor, Norman Lamont, that it would bring in addition-

al private funds to supplement public capital spending.

But in their report the MPs said it had become obvious that the PFI was being used to replace public spending. According to the Government's latest forecasts, public sector capital spending will fall by £2.5bn between this year and 1998/9 while PFI spending is projected to rise to £2.6bn by 1997/8.

The MPs said, however, that the Government's projections of PFI spending were "optimistic" and added: "If there is a serious shortfall in the PFI projections, it will be difficult to provide money from public capital budgets to fill the gap."

One of the MPs' key recommendations is that the Treasury should now consider scrapping

the rule which requires government departments to explore PFI funding before giving the go-ahead to any capital project.

Critics have claimed that this leads to the initiative being clogged up considering projects that are clearly unsuitable for private funding while important programmes, particularly hospital projects, are held back.

Clive Betts, a Labour member of the committee, said: "One of our biggest worries is that the only schemes which may go ahead are ones that the private sector will fund. That means decisions about public spending priorities are being taken, not on the basis of what makes private profits."



Michael Jack: Measures to strengthen PFI

### IN BRIEF

• Citicorp, the second-largest bank in the US, announced a disappointing 10 per cent increase in profits in the first quarter of this year, to \$914m (£600m) from \$829m over the same period in 1995. George Salem, analyst at Gerard Klauer Mattison & Co, said: "These earnings don't look terrific. The bottom line is OK, it's how they got there that isn't." Securities trading revenue fell 14 per cent to \$295m, after a heavy drop in foreign exchange revenues. Losses from the bank's US credit card business rose 40 per cent to \$467m. However, consumer banking profits rose 11 per cent to \$513m, while corporate banking earnings were up 18 per cent to \$469m.

• Adair Turner, director-general of the Confederation of British Industry, said restoring the "feel-good factor" depended on equipping people to cope with job insecurity. Better education and training was needed to give them employability for life even if they could not be sure of a job for life.

• The Rack, the tie and scarves retailer, plans to open 50 new stores this year, mostly in Europe as it seeks to reduce its dependence on the mature UK market. Only four or five of the new stores will be in the UK. The 379-strong chain announced a 7 per cent increase in profits to £7.9m on sales up 15 per cent at £96.6m. The American division made its first profit since 1987.

Investment Column 22

• Asda is lodging a complaint with the European Commission in its bid to have price maintenance on non-prescription medicines declared illegal. The company claims the price-fixing infringes the Treaty of Rome.

• Norwich Union, one of the UK's largest mutual insurers, confirmed yesterday that it is to introduce a rule change to its annual meeting in May allowing it to set a cut-off date for new policyholders if it decides to seek a stock market flotation. However, NU's group chief executive, Allan Bridgewater, said the rule change should not be interpreted as implying that de-mutualisation would definitely go ahead.

• Chelsea Building Society has closed to new members all accounts which could be opened with less than £2,500 after several branches ran out of passbooks because of the rush to open new accounts. The minimum for membership was previously £1,000. Leeds & Holbeck has doubled the amount needed to open a membership account to £1,000, but hopes to reduce it again once conversion mania subsides.

• The board of Union Bank of Switzerland yesterday saw off an attempt by the dissident shareholder, Martin Ebner, to block the nomination of the new chairman. Former chief executive Robert Studer was elected at the AGM by an absolute majority, defeating Mr Ebner's campaign to force a change in management.

## DTI proposes increased rights for shareholders

PETER RODGERS  
Business Editor

The Government yesterday proposed giving shareholders rights to put resolutions to annual meetings at the company's expense, but made it clear that the rights would be curbed to prevent disruption to business at annual meetings.

A consultative document from the Department of Trade

and Industry also outlined proposals to make it easier for pension funds to appoint representatives to speak at annual meetings. In the present state of the law there are a series of technical difficulties, which were pointed out to the DTI by the National Association of Pension Funds, which asked for an amendment of section 375 of the Companies Act. The DTI said that one effect

of changing the act in the way suggested by the NAPP would be to benefit the increasing numbers of individual shareholders who use the services of nominee companies, a result of the spread of electronic settlement. These shareholders would also find it easier to appoint representatives to speak at annual meetings.

The DTI consultative document said one drawback was

that a change in the law would allow corporate shareholders of all kinds to appoint multiple representatives at meetings in order to carry votes on a show of hands. But the document suggested that this would be outweighed by the advantages.

The DTI was responding to a recommendation by the Commons Select Committee on Employment, which said: "We recommend that the Companies

Act is amended to require shareholders' resolutions, where they are supported by a sufficient number of shareholders and are limited in length, to be circulated by the company to all shareholders without cost." But the DTI made clear that the full implementation of this proposal would be expensive and difficult to carry out in practice.

Questions it asked were:

How could the timetable for circulating papers for agms be made known to shareholders, how could the costs of circulating resolutions be kept to a minimum, and what safeguards should there be against the disruption of business at agms?

One of the principal concerns was to avoid forcing companies to spend up to £100,000 printing and posting shareholders' resolutions ahead of the agm.

## This week in THE INDEPENDENT

This week and every week, Section Two has a new look, with more pages, new features, a daily radio column and an expanded listings section providing Britain's most comprehensive daily guide to going out.

### on Monday

A new regular section, Family Life, that deals with the interests and problems of parents and children. Julie Myerson's column also focuses on home life. Plus a new series - "Do we need?" - which challenges the icons of modern Britain. And every Monday unrivalled coverage of the exciting world of information technology in our Network pull-out section.

### on Tuesday

Health: how wearing a virtual reality helmet could help cure phobias and other psychological problems. Plus: why pills are not simply a problem for the vain.

### on Wednesday

David Copperfield's diary continues to chronicle the adventures and exquisite embarrassments in the life of the most famous of novelists.

### on Thursday

All our regular features, including Virginia Ironside's "Glimpses", John Walsh's column, plus film, education

### on Friday

Seven - a new 20-page pull-out and keep entertainment and listings section, including a complete day-by-day planner for the week ahead, plus

### and in Sport

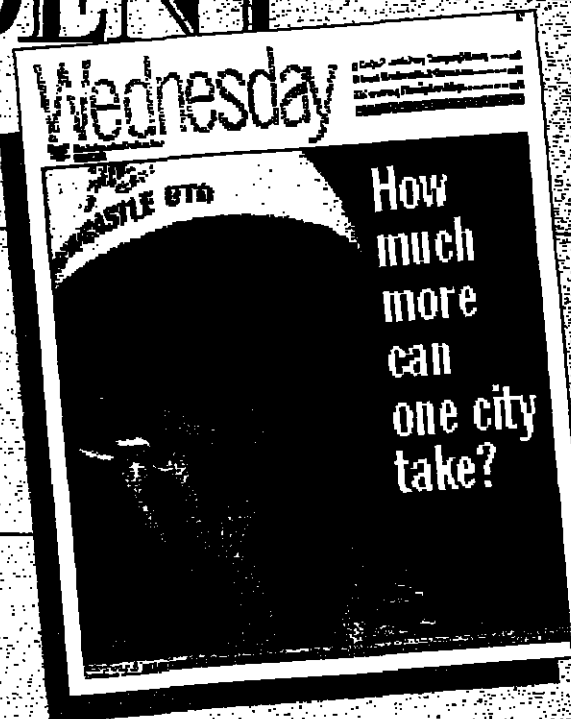
A 24-page tabloid section with all the action from the weekend's sporting action. Plus: the Monday interview in which a leading figure comes under the microscope, an unbeatable results service, gossip, speculation and fact from behind the scenes and the best in sports photography.

but a sign of ill-health, so what can be done about them? Also on Tuesday, fashion, architecture, visual arts and media.

and law. In our back pages, Martin Newell, Britain's leading rock poet, and Neil Kërper, one of the country's funniest cartoonists, present their views of the modern world.

and graduate plus. In the back pages, William Hartston's history of the world in 10 1/2 inches

seven-day TV, radio and satellite listings, ticket offers and informed comment on the week's highlights. Plus: eight pages of pop and classical music





# Tesco explodes price war myth

## THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Tesco has been on a roll in the supermarket battle for such a long time now that all its rivals, apart from the ever-green Asda, have looked pretty pedestrian by comparison. Yesterday's figures continued the story with figures some of its rivals – particularly Sainsbury – would kill for.

It is hard to argue with a 14.5 per cent increase in profits to £681m and like-for-like sales increases of almost 9 per cent for the year to 24 February. Even with a petrol price war, a BSE scare in beef and a silly season on baked beans, like-for-like sales are up 7 per cent in the five weeks to Easter.

Though the petrol battle will cost Tesco £30m this year and may yet prove a larger problem if it drags on, Tesco has still held its operating margin at 6.2 per cent. This indicates that in spite of all the well-publicised "price wars" on everything from bananas to turkeys, prices are simply being increased elsewhere to offset the damage.

In addition to a variety of customer service schemes Tesco is scoring points by continuing to invest in back-office technology which releases staff who can then be deployed where it really counts – out on the shop floor.

The Tesco bulls say that the company's innovative management will continue to dream up fresh wheezes whenever the going gets tough and therefore keep itself one step ahead. The UK business looks particularly strong, with operating profits up by 18 per cent. The drag on profits is the expansion in to central Europe, where seven new stores will open in the current year. In the UK, sales densities in new store openings are at record levels, which appears to disprove the market saturation theory – and a further 24 new stores will open this year.

But amid all the hullabaloo there are concerns, which were reflected in a share price down another 3p yesterday to 287p.

Some analysts are concerned about Tesco's future earnings growth prospects and a change in the dividend policy announced yesterday which links the payment to earnings rather than rising progressively, as before. The City is also nervous about the possibility of an acquisition, though management says its focus is on organic growth.

What is clear is that this is going to prove another interesting year for the supermarket. While Tesco and Asda remain the darlings of the sector, all eyes are on Sainsbury to see if it can recapture past glories.

While NatWest Securities is forecasting £721m for the current year, BZW has upgraded to £735m and foresees further upgrades if the petrol spat

abates. This puts the shares on a forward rating of 13. Though Tesco is an impressive management story, the shares are unlikely to perform any spectacular tricks in the short term. Hold.

## Boosey tunes up for growth

Despite being one of the best-known names in music publishing, Boosey & Hawkes had been largely neglected by City institutions until quite recently. That has changed as the group's unblemished profit record has become established. Profits have grown steadily since Richard Holland climbed aboard as chief executive seven years ago, rising from £2.46m in 1989 to £6.17m in 1995 after last year's 21 per cent increase reported yesterday. Since the beginning of 1995, the shares have outperformed the rest of the stock market by 68 per cent, after a further 43p rise yesterday to a new peak of 698p.

The price was spurred last year when the European Union harmonised copyright periods to 70 years. That de-

cision, ratified by Parliament in December, extended copyrights in the UK and some other European countries by 20 years and gave a new lease of life to copyrights controlled by Boosey. Long-dead composers such as Rachmaninoff, Delius and Elgar will come back under the company's wing.

Boosey can take more than £1,000 a night from a well attended opera at Covent Garden at which one of its pieces is used, quite apart from recording rights and sheet music sales. The group managed to squeeze juicy margins of 21 per cent out of the publishing business last year. This year should benefit from further margin expansion, although earnings will be held back by reorganisation at Bote & Bock, the German music publisher acquired earlier this year.

Most of the growth last year came from Boosey's instruments business, which saw underlying profits jump 14 per cent to £4.18m. Concentration on margins and additional funds from the Lottery directed at brass bands in the UK boosted the business, but in the long term the excitement is likely to come from the rapidly growing Far Eastern market and expanding market

share in the US. Victory in Boosey's long-running \$200m claim against Walt Disney would transform the group, but the case remains bogged down in the US legal system for now. Profits of more than £7m this year would put the shares on a steady forward multiple of over 30 and with US publisher Carl Fischer in effect sitting on over 50 per cent, they are hard to get hold of. A firm hold none the less.

## Tie Rack keeps it tight

There is nothing Roy Bishko hates more than people describing his beloved Tie Rack as a niche retailer. He hates the term with a vengeance, since it lumps his company with all those former stars of the 1980s such as Sock Shop, many of which have fallen on hard times. His view is that Tie Rack is a cautiously run, well-managed retailer that happens to focus on neckwear (ties and scarves to you and me).

It is plainly an overreaction, but you can see his point. While other 1980s "niche retailers" have fallen by the wayside, Tie Rack has been motorizing strongly. Its shares, for example, have risen from 22p in 1991 to 165p, even after yesterday's 5p fall, and have enjoyed a meteoric rise in the past 12 months.

Yesterday saw another solid if unspectacular set of results. Profits of £7.9m were a 7 per cent improvement on last time but hid a range of different performances. In the UK, where Tie Rack has 169 of its 379 stores, profits fell as a result of the hot summer and tough trading conditions. Like-for-like sales were flat. But the US business, which now has 63 stores, made its first profit since 1987.

As the UK market reaches maturity, Tie Rack sees most of its profit growth coming from overseas, particularly in Europe. It operates in 26 countries and will open 50 new stores this year, the same as in 1995.

The Rolling Luggage Company, a new format that started trials last year, will be expanded gradually from its current three outlets. The expansion is backed by net cash of almost £14m. Although steady growth can be expected, analysts were reining back forecasts yesterday.

Central costs are set to rise for the second year running as the company adapts its systems to cope with a larger empire.

NatWest expects profits of £8.7m this year, which puts the shares on a forward rating of 16. Worth holding.

# Where there's smoke, there's cattle-burning

## CITY DIARY

JOHN WILLCOCK



No elephants, please, we're British: Xenophobic Brits may think that Johnny Foreigner has lots of funny habits, but they should hear what the Chinese think about the Brits. The latest *Overseas Jobs Express* quotes the *China Trade News* on how to behave when travelling to the UK to do business. "When dealing with the British there are certain taboos and superstitions it is necessary to understand."

"Elephants are taboo to the British – if you are exporting goods you must ensure that they do not carry any pictures of elephants on trademarks or packaging. Horseshoes however are considered lucky."

The correspondent goes on: "When eating with the English, you must make every effort to avoid making any noise by knocking china and cutlery together. Also, meetings of 13 people are out of the question, as it is an unlucky number." The article concludes by advising visitors to remember that Britain is a country of animal-lovers and to make a point of saying a few words of appreciation to pet owners about their animals. Like "nice goldfish."

course. Interest in political activities was a mere 5 per cent. John Major really has had it.

The Italians love nattering on their mobile phones so much that the Italian government was forced recently to place screening material on the outside of its Parliament building, to block such phone conversations and ensure at least some work got done.

This story is told with a mix of amusement and pride by Francesco Caio, the 38-year-old chief executive of Omnitel Pronto Italia, the smaller of Italy's two mobile compa-

nies. In the months since Omnitel launched last December, it has gained 100,000 subscribers. By comparison, Orange managed in the first three months of its UK launch to attract a quarter of that number.

Omnitel's progress is of especial interest to Olivetti, Carlo De Benedetti's troubled computer giant, since the latter owns 41 per cent of the new company. Olivetti yesterday announced net losses for 1995 of a mere 1,598 trillion (yes, trillion) lire, or £670m. No wonder Signor Caio is interested in floating off Omnitel.

## IN BRIEF

• **Peptide Therapeutics**, the fledgling biotechnology group, announced pre-tax losses increased from £2.7m to £3.61m for the year to December. The group, which raised £24m in a stock market flotation in November, had net cash of £27m at the end of December after a cash outflow that was said to be on target at £4.4m for the year. Peptide said its marketing collaboration with Mochida Pharmaceutical was developing well and licensing and technology agreements were under discussion.

• **Automotive Precision Holdings** said the expected reduction in its North American and European automotive markets had materialised, but this had been more than compensated for by orders for additional component ranges, mostly from existing customers. Its areas of expertise, such as power steering, vehicle air conditioning and fuel injection systems, continued to outperform the market, the group said. With growth set to continue, Automotive is planning to add to its manufacturing space at Tonbridge in Kent and expects to strengthen its management team this year. Pre-tax profits rose 10 per cent to £6.1m in the year to December and a final dividend of 3.3p raises the annual total by two-thirds to 5p.

• **S Jerome** said unseasonably warm weather last October and November had slowed the expected order intake, and that turnover in the apparel business for the first quarter had been flat as a result. However, it is now apparent that orders were merely postponed and the forward order book at the end of the March is "encouraging". Meanwhile, the upholstery business is showing steady growth, the group said. Pre-tax profits were up 31 per cent to £951,000 in the year to December, with earnings per share rising a fifth to 7.7p. The final dividend is 1.5p, making 2.25p for the year, up from 1.5p in 1994.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
<b>Automotive Precision (F)</b>	24.05m (20.4m)	6.1m (5.55m)	10.1p (9.1p)	5p (3p)
<b>Bossey &amp; Hawkes (F)</b>	87.1m (82.7m)	6.17m (5.08m)	20.3p (17p)	7p (5.5p)
<b>Coltson (F)</b>	227.7m (211.4m)	29.8m (22.8m)	28.23p (19.25p)	9.65p (8.32p)
<b>Gradius Group (F)</b>	28.38m (22.6m)	3.63m (3.13m)	13.48p (12.05p)	4.8p
<b>S Jerome &amp; Sons (F)</b>	28.54m (26.85m)	0.95m (0.73m)	7.7p (6.2p)	2.25p (1.5p)
<b>Peptide Therapeutics (F)</b>	0.16m (0.05m)	-3.6m (-2.7m)	-20.2p (-20.8p)	
<b>Saltire (F)</b>	212.7m (178m)	-2.3m (2.8m)	-1.4p (3.6p)	0.1p
<b>Tesco (F)</b>	120m (10.9m)	67.5m (53.1m)	22.2p (18.9p)	8.9p (8.8p)
<b>Tie Rack (F)</b>	96.6m (83.9m)	7.92m (7.41m)	9.87p (8.34p)	2.75p (2.25p)

(F) - Final (F) - Interim (p) - Nine months

# Reuters sits on cash mountain

MARY FAGAN  
Industrial Correspondent

Reuters yesterday disappointed the City by failing to deliver confirmation about the long-awaited return of surplus cash to shareholders. Sir Christopher Hogg, chairman, asked for "patience" while the board examined "all options" on the distribution of funds.

Speaking at the annual meeting, Sir Christopher said: "Be patient, it will come in one form or another." A spokesman for Reuters added that the company, which has more than £850m cash, still hoped to resolve the issue by year-end.

Expectations of an announcement had been running high ahead of the group's first-quarter results which showed a

14 per cent increase in revenues to £713m, helped by the advantageous dollar exchange rate. At constant exchange rates the increase fell short of expectations at only 9 per cent.

Peter Job, chief executive, said growth from information products was slowing, partly due to consolidation in the financial sector, but also "partly because we need our new 3000 product line [a replacement for the 2000 range of news and information screen-based products] to galvanise sales".

"This product line is now being tested with customers and is scheduled to be released prior to our half-year results announcement in July," he said.

Reuters shares fell 15p to 736p at one point, but rallied to close at 749p, a fall of 2p on the

day. Michael Stranks, an analyst at Henderson Crosthwaite, said: "Revenues were one point or so below expectations; the market had been looking for 10 per cent at constant exchange rates. The fact that there was nothing new at the moment on any special dividend or share buy-back also disappointed some of the bulls."

Jason Crisp, of Société Générale Strauss Turnbull, said the share price fall was "an over-reaction". The company had strongly indicated at the time of its results announcement in February that it would not see double-digit sales growth at constant exchange rates, and that there would be nothing new until the end of the year on plans to redistribute surplus cash to shareholders. He added,



Slowdown: Peter Job hopes new products will lift sales

however, that there was likely to be disappointment in underlying sales growth.

# Hanson sells Eveready South Africa

MAGNUS GRIMOND

Hanson has sold its Eveready South Africa battery operation to Duracell International, the world's biggest maker of alkaline batteries, for \$25m rand (£82m). The sale announced yesterday comes on top of £2.9bn (£1.9bn) of disposals already completed by the industrial conglomerate in advance of the four-way demerger planned for later this year.

It completes the tying-up of the Ever Ready batteries business, the UK end of which was sold to Ralston Purina of the US

in 1992. At the time, Ralston was restricted in what it could invest in South Africa by US sanctions. Hanson would not comment on whether the US group was involved in the bidding for Eveready South Africa, but it is known that an auction took place.

Hanson acquired Ever Ready for £95m in 1981, netted £40m from immediate disposal of loss-makers, and retains the Crutree electrical plugs and sockets business.

Derek Bonham, chief executive, said: "This sale marks further progress in our disposals in

advance of our demerger programme, which is on track for later this year." Vice-chairman Christopher Collins said the plan was for the chemicals and tobacco operations to be demerged by 30 September, with energy going by the end of the year. A roadmap to investors will kick off in September.

Eveready South Africa had sales of 365m rand in the year to last September, but Hanson would not release any details of profits or net assets. However, the unit has reported lower profits in each of the past two fiscal years, hindered by open-

market competition as South Africa reduces tariff barriers.

The acquisition represents a quantum leap for Duracell, which only set up a business in South Africa two years ago. The large zinc carbon batteries produced by Eveready South Africa are old-fashioned by Western standards, but represent an extremely profitable business in southern Africa.

The operation has a factory in Port Elizabeth and employs 900 people. It controls 95 per cent of the zinc carbon round cell battery market in South Africa.

# Redland set to expand after £220m reshuffle

MAGNUS GRIMOND

Redland is set to receive £220m as a result of the planned reshuffle of its roof tiles business, leaving it poised for further expansion in Europe.

The deal, first announced last month, will create the Continent's biggest manufacturer, providing the tiles for one in three European roofs. Redland is injecting its wholly-owned western European business into Braas, the highly successful 51 per cent-owned German subsidiary.

Redland's stake is set to rise to 56.5 per cent as a result of the swap and the cash will have gone to 25 per cent. Debt of around £700m, will fall even further when the sale of the rest of Redland's bricks business is announced later this month.

Market estimates suggest that disposal could bring in a total of £230m, including £71m already received from the disposal of a stake in a Dutch business in February.

Commenting on the roof tiles deal yesterday, Robert Napier, chief executive of Redland who will chair the merged group, said: "One of the reasons we are doing this is because there are areas where we can grow further. France is one example."

The new business, to be called Redland Braas Building Group, would have access to cash flow from the German company to finance expansion.

Other areas of Europe, apart from France, where RBBG will be under-represented, include the UK and Italy, although Mr Napier cautioned that monopolies constraints could hold back further acquisitions in the home market.

He said the deal should add to Redland's earnings in the first year after completion. The group's own business, including roofing activities in the UK, Holland, France, Spain and Portugal, would be valued at £440m by the swap, giving an exit price-earnings ratio of 15. Operating profits of the Redland companies were £38.5m last year.

By contrast, the merger values Braas at £1.6bn, equivalent to a p/e ratio of 11. Mr Napier said. Profits last year at Braas of £226m represented the lion's share of the £355m made by the whole Redland group.

Although Redland's shares added only 1p to 410p yesterday, the deal was generally welcomed by the stock market. Robert Donald, an analyst with NatWest Markets, said it was "a breath of fresh air at Redland", which should have been done five, 10, 15 or 20 years ago.

"They are injecting assets which are underperforming into a company with a good track record and that must be good news for shareholders." He expects the merger to enhance next year's earnings per share by 2-3 per cent.

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## market report/shares

## Feel-good investors push Footsie through 3,800 barrier

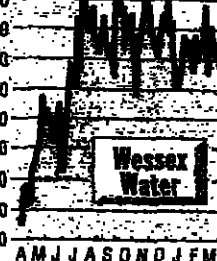
TAKING STOCK

## DATA BANK

FT-SE 100  
3,825.3 + 34.8FT-SE 250  
4,458.5 + 41.8FT-SE 350  
1,925.7 + 17.7SEAQ VOLUME  
883.7m shares,  
37,546 bargainsGilt Index  
92.42 + 0.06

## SHARE SPOTLIGHT

share price, pence



For the second day running shares stretched to new peaks. In often brisk trading the FT-SE 100 index moved above 3,800 points for the first time, reaching 3,825.3 with a 34.8-point gain; the supporting FT-SE 250 index surged 41.8 to 4,458.5p.

The stock market was captivated by growing evidence the feel-good factor was at last coming through and hopes that interest rates could be reduced yet again. Takeover speculation remained an important influence.

National Power, the bigger of the two English generators, was the top-performing blue chip, as rumours circulated it would today be faced with a US bid. Utilities - electricity and water - had an eventful session with stories of bids, raids and stake-building.

An American, Bill Dahlberg, chairman of the Southern Co, started the rush. He said Southern planned to sell nearly half its stake in South West Electricity which it acquired last year for £1.1bn. Immediately the market alighted upon South West Water, already on the receiving end of two bid approaches, as Southern Co's next target.



## MARKET REPORT

## DEREK PAIN

Stock market reporter of the year

The recent displays by Thorn EMI, where the rumoured deal has failed to appear, and the jump by BET which unearthed the predatory intentions of Rentokil.

One of the reasons behind the gain was speculation that Southern Co could descend on NP with a hostile bid. But NP could be too big a mouthful even for the powerful US group.

There were suggestions that problems in the futures market had started the NP run and some fell back on the heavy old excuse that the market had been caught short of stock.

Shares of Southern Electric, an NP bid target, remained aloof. They fell only 2p to 885p, suggesting the market believed NP whether or not it received a bid, will press ahead with its offer once it gets the expected Whitehall clearance.

PowerGen, the other English generator, gained 12.5p to 570p. Several of the distributor takeover hopefuls, such as London and Yorkshire, eased.

Wessex was partly overlooked in the stampede. There is a growing feeling its approach to SWW was prompted by defensive considerations and it could soon be the victim of an overseas stake.

Elsewhere, retailers enjoyed a heady run with Dixons, meeting analysts, Boots, Great Universal Stores and Marks & Spencer leading the rush. Housebuilders made renewed headway and properties joined in on the back of Merrill Lynch support.

Grand Metropolitan lost its embers, falling 2p to 444p, and RMC, strong recently, retreated 33p to 1,060p on profit-taking.

Abbey National, ahead of a trading update, improved 9p to 586p and Prudential Corporation put on 7p to 446p on a reported Cazenove recommendation.

Granada continued its advance following the Fort takeover, gaining 17p to 823p. The shares have risen nearly 200p since its January victory and a 10p gain 83p by Rentokil was in anticipation of its expected success in the battle for BET. It is felt that if it wins its shares could follow Granada's example, moving ahead powerfully as the advantages of

the deal become apparent. Trocadero, the leisure group, ahead 4p to 56p on talk of a share overhang about to be cleared.

Rebus, a computer operation demerged from CE Heath, the insurance broker, opened at 88p and closed at 98p. But another newcomer Cardcast, a credit card fraud group, failed to hold its 85p offer price. After touching 91p the shares closed at 83p.

Northamber, the computer group, gained 13p to 289p after saying it would top market profit forecasts of up to £4.8m and Gardner, the closed circuit television business, added 2.5p to 28p, largely on institutional meetings.

Jarvis, the building group, gained 4.5p to 43p, a peak. It has been pulled back into profit but the market is keenly awaiting confirmation of a significant acquisition, perhaps a railway maintenance business.

Opticians Brosgill & Leach surged 105p to 300p on Oxf. Like other opticians it has appeared against what are regarded as incorrect VAT payments over the past seven years. It has yet to receive a rebate which in relation to group profits last year of £175,000, should be significant. Brosgill has 12 outlets, nine in Asia stores. It came to Oxf at 165p.

Alcoholic Beverages	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Banks, Merchant	Price	Change	Vol	Price	Change	Vol
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100

Banks, Retail	Price	Change	Vol	Price	Change	Vol
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100

Engineering Vehicles	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Extractive Industries	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Diversified Industrials	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Breweries, Pubs & Rest	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Building/Construction	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Electricity	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Electronics	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Food Manufacturers	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Gas Distribution	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Health Care	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Household Goods	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Insurance	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Chemicals	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Distributors	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Alcoholic Beverages	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Banks, Merchant	Price	Change	Vol	Price	Change	Vol
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Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100

Banks, Retail	Price	Change	Vol	Price	Change	Vol
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100
Barclays	120.00	0.00	100	120.00	0.00	100

Engineering Vehicles	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Extractive Industries	Price	Change	Vol	Price	Change	Vol
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Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Diversified Industrials	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Breweries, Pubs & Rest	Price	Change	Vol	Price	Change	Vol
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Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Building/Construction	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

Electricity	Price	Change	Vol	Price	Change	Vol
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100
Adnoca	120.00	0.00	100	120.00	0.00	100

533	Fidelity Inc	618	+16	16	224	100	22	100
534	Pharmacia Corp	355	+9	03	663	4708	1	1
54	Forward Tech	80	+1	44	15	2622	20	100
76	GEC	370	+4	39	12	2632	1	1
79	Grainco	120		7	1	204	8	100
114	Howell-Pack	334	+2	30	361	236	1	1
250	Intest	31		2	1	100	1	1
280	MIL Inst	280	-2	24	10	3338	49	100
291	Microware Sys	277		1	212	334	47	100
348	Monsanto Chem	67		17			51	100
365	Motors	135	+1	07			50	100
365	NED	781	-1	22		3422	51	100
375	Neonetics	49	-3	18		3487	50	100
405	Outcrop Int	464		18	14	2622	50	100
417	Pink	54		15	13	2622	50	100



## A SPECIAL REPORT BUSINESS TRAVEL

# Things are looking up for the high flyer

Business travellers, as I told an airport operators' conference earlier this month, are a deeply unreasonable bunch. We want to check in as late as possible, fly from uncrowded airports at the times of our choosing direct to our destination, or failing that enjoy a transit time just long enough to allow for some relaxed shopping at fiercely economical prices. I could have added that we expect every hotel to have a record of our reservation, and to supply a pristine room kitted out with the latest in hi-tech and hi-comfort. The rental car should be waiting, clean and full of fuel, for an immediate getaway. Should we decide instead to travel by train, we expect a definite edge in time and comfort over the alternatives. Oh, and by the way, our company accountants are keeping a keener eye than ever on costs.

Costs, costs, costs: everyone is seeking to control them without sacrificing quality. As this Special Report demon-

strates, businesses are exploring ways to maximise flexibility while minimising expenditure. Airlines and hotels are trying to keep costs down without threatening the revenue recovery that is under way. The railways are tempting travellers with valuable new scheduling and comfort, while new US carriers are showing the way towards good-quality, low-cost service.

For a lot of businesses, the place to start controlling costs and adding value is with a written company policy on business travel. According to Carlson Wagonlit, one of the leading multinational agencies, only three in five European companies have a written policy, compared with 76 per cent of American businesses.

This will by necessity involve looking at the way in which travel is bought. All the old certainties are being challenged, notably the commission paid by airlines to agents. No longer is there a simple equation between the amount a

company pays and the percentage the agent earns. "These days, the travel agent will not survive by simply issuing a ticket", says David Radcliffe, managing director of the leading business agency, Hogg Robinson BTI. "The agent must give value to the client".

Increasingly, services like rapid visa procurement, travel medicine advice and global assistance are being taken for granted. So now the focus is switching to buying power. Hogg Robinson, like Carlson Wagonlit and American Express, uses international muscle to secure deals across the range of business travel services. There is still space for the good independent business travel agency, but more than ever those who survive and prosper will be those who are customer-focussed and are

intimately aware of an individual client's needs.

The trend towards fee-based arrangements is accelerating. This means the client pays the net cost of travel (ie free of commission), plus a negotiated fee to the agent in exchange for the value added. So the nagging worry that your agent is recommending a particular supplier or product because of the potential commission he or she stands to earn, is eased.

For the business traveller, meanwhile, life on the road or in the skies seems to be getting a little smoother – but that doesn't stop us complaining about it, as two business travel surveys published this week demonstrate. American Express asked visitors to the Business Travel '96 exhibition in London what irritated them most. The number one hate was the need to check in early;

a good omen, perhaps, for Denim Air and World Airlines, which in the next fortnight start new services to Holland from the 10-minute check-in airport, London City.

Official Airline Guides canvassed business travellers worldwide, and found that British executives are the ones demanding free drinks in airport lounges most noisily – which is perhaps why they are also less concerned than any other nationality about whether the plane turns up on time. They also, says OAG, complain more than anyone else about fellow passengers, especially those who get upgrades from economy.

Yet the traveller who has been out of circulation for a decade (or perhaps just stuck in an inordinately long stack at Kennedy airport) will find the world a rather more comfort-

able place than it was in 1986. That was the year when British Midland began competing on international routes from Heathrow. Increased competition has improved service on both short- and long-haul flights. It is hard to distinguish between the first class of 10 years ago and the business class of today – except that the middle tier nowadays is often more luxurious than the top-flight of old. In recognition of this fact, increasingly many airlines are doing away with the concept, but a second dynamic is at work increasing comfort to a degree unparalleled since the flying boats.

The American Express survey found three out of five travelling executives resent the lack of personal space on aircraft. Accordingly, British Airways is spending £500 million on upgrading its

premium cabins, much of it on the first class product. Innovations such as individual sleeper cabins are intended to increase the present 50 per cent average load factor in First. In response, All Nippon Airways is increasing seat pitch to a Sumo-sized 82 inches on its routes to Japan.

The plane in front, of course, is still a Concorde. The supersonic aircraft this year celebrates 20 years of commercial service, but so far there is no certainty about when – or if – it will be replaced. The technological focus has moved to telecommunications, but there is scant evidence that developments such as teleconferencing are reducing the amount of business travel. A Carlson Wagonlit survey found more than 80 per cent of business travellers think it unlikely that new technology will influence the number of trips they take.

Even so, Hogg Robinson is taking a broad view of its mission and has established

teleconferencing links at its offices in Farnborough and Stockholm for use by clients for whom this is the best solution to a particular problem.

Looking to the future, life could be more comfortable yet for both the traveller and the accountant. In aviation, ever more alliances will be formed between carriers to create a more streamlined service for connecting passengers.

The giant business travel agencies will flex their buying biceps a little more, for example by block-booking space in premium cabins. If your agency's clients, the logic goes, are occupying 30 per cent of the Club World seats on a particular BA flight to Singapore, then the airline should pass back some of the savings on distribution costs. The same theory can apply to hotels, car rental and rail travel in the endless battle against costs, costs, costs – or, more positively, the search for value, value, value.

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## New carriers offering better deals in US

SUE WHEAT

For years the aviation map of the United States has been comfortably familiar. The mega-carriers – American, Continental, Delta, Northwest and United – have dominated the market. But today's traveller to the US will discover that new airlines are challenging the established leaders.

The advantages can be demonstrated using a key route such as New York to Chicago. Kiwi International (not a New Zealand airline despite its name), has established a presence at Newark and has a busy route network in the eastern US. The lowest one-way flight from Newark to Chicago's Midway on Kiwi is \$99, which is around \$50 cheaper than other carriers on the route.

Cost is, of course, only one element of the business travel equation. Many business travellers prefer Newark airport to the less user-friendly JFK, though La Guardia remains first choice for those in midtown Manhattan. Chicago's Midway airport is dwarfed by O'Hare – the world's busiest – but is much closer to the downtown Loop, to which it is now linked by rapid transit. So a low-cost carrier can save stress, too.

The established airlines are hitting back with low fares. Some are being marketed as "peanut" fares – because that's what you get for food, and that's what you pay". In the past year some fares have been cut to ludicrous levels, such as Atlanta to Orlando for \$45 or Los Angeles to Las Vegas for \$25. Small, niche operators have

considerable cost advantages, but one of these is often the absence of an international marketing effort; booking a flight on ValuJet, for example, from this side of the Atlantic is tricky. But America West, which specialises in the western US, including Los Angeles, Las Vegas, Phoenix, San Francisco, and San Jose, has an office here. It offers a four-coupon nationwide pass for £215. Buying tickets in the UK has the advantage of avoiding the 10 per cent transportation tax on air tickets applicable in the US.

Horizon Air, a subsidiary of Alaska Airlines, offers the best miles-per-buck deal with its standby airpass in the northwest US. But only the most impoverished or optimistic business traveller would rely on this. Instead, most executives are looking to enhance inflight service – more like the standards we enjoy in Europe.

Clear winner in Conde Nast Traveler's annual airline survey is Midwest Express, a Milwaukee-based carrier little known outside the US but beloved by many business travellers – and passengers on Virgin Atlantic who take advantage of the two carriers' marketing tie-up. For no more than the usual full fares, passengers enjoy extravagant food and free Champagne. Catching a plane in America doesn't have to be just like catching a bus.

America West 01483 440490  
Horizon Air – airpass available at AirPass Sales, 01737 555300  
Midwest Express 001 414 570 7000  
Quest Worldwide 0181-546 6000

## Airlines cap agency fees

SIMON CALDER

British Airways is seeking to cut the commission paid to business travel agents, following the example of leading airlines in the US who unilaterally capped commission payments.

Instead of a fixed percentage, a maximum fee of, say, \$25 or \$30 is allowed. The airlines say this more adequately reflects the work done by the agent, but the bread and butter business for agents has changed radically. The US division of Carlson Wagonlit, one of the leading international business agencies, last week reported that commission capping had dampened revenue growth significantly in 1995.

Now BA is looking hard at its distribution costs, ie how much revenue it must surrender to fill business seats. In jeopardy is not merely the agents' comfortable 9 per cent they presently enjoy on air tickets, but the whole murky business of overrides. Put simply, if agents sell sufficient of certain

high-value tickets on certain airlines, they earn commission above the normal rate. Some agents use this to help pay for non-revenue services, such as on-call assistance or visa facilities; others split the bonus with the customer, and still more use the overrides to offer fares well below official rates. BA is using its considerable muscle to implement lower commission levels. One immediate consequence is likely to be that some revenue is diverted to other airlines, who offer better incentives to agents.

In the meantime travellers could be steered towards some unusual carriers. If the clerk at your agency commands a business-class trip to New York on Icelandair via Reykjavik, it is probably because the fare of around £1,300 return represents excellent value. But the recommendation might also possibly be influenced by the fact that he or she stands to make £100 in Marks & Spencer vouchers for every such booking made this month or next.

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## BUSINESS TRAVEL

## Trans-Europe special on the up line

SIMON CALDER

The Eurostar journey through the Channel Tunnel from London to Brussels points up the middle and inconsistencies of European rail travel. You start by clanking through the south London suburbs, your gleaming express slotted in among commuter trains on lines built 150 years ago. It takes an hour to reach the new Ashford International station. Beyond here, the train changes its electricity supply system and begin to accelerate through the tunnel, reaching Calais in under 40 minutes. There follows a blissful but all-too-brief interlude through France when the train can travel at its 186mph maximum. Then it slows and adapts to a third electrical system, pottering through

Belgium before arriving in Brussels. The city centre-to-city centre journey takes around three hours 15 minutes.

The route to the Belgian capital has not been as successful as the Paris run, a greater distance but a faster ride. Yet Eurostar has still carved a considerable slice out of the airlines' revenues between London and Brussels. When the new high-speed line through Belgium opens, the journey time will be cut and the give the train a distinct edge over flying.

One big problem afflicting the railways has always been the same: compatibility of cross-border services. Spain and France, for example - two of the larger EU nations, sharing a long common border - still employ different gauges. And

while some nations (France, again, and Germany), have invested heavily in high-speed domestic rail travel, the business traveller would be forgiven for perceiving a lack of enthusiasm for a truly trans-European railway network.

From June this year, he or she should start to notice a difference. Thalys, the high-speed link between Paris, Brussels, Amsterdam and Cologne is due to open, with Lille as a high-speed crossroads. Its hand-some Lille Europe station will connect France, Belgium, Holland and Germany - and Britain via the Channel Tunnel, but slowly. The high-speed link so badly needed between Ashford and London is not due to open for another six years. Meanwhile British travellers from outside the capital should

at last start to notice some improvement when direct trains begin from leading cities direct to Paris later this year.

Lille will become still more important to French-bound business travellers as extra services are added to destinations throughout France.

Elsewhere in Europe, travellers will see benefits from the Great Belt project in Denmark, an ambitious bridge/tunnel scheme aimed at speeding travellers by eliminating ferry transfers between Copenhagen and Jutland. In Italy, Pendolino trains on the trunk route between Milan and Rome are doing roughly what Britain's now-defunct Advanced Passenger Train intended to do - run at high speed on existing track.

Germany's high-speed spine

from Hamburg to Munich is well under way, and some of the creakier old links to Berlin are being enhanced in advance of the city regaining its status as capital. But the ultimate way to travel through Germany - and as far as Vienna and Zurich - is aboard the City Night Line, which aims to provide five-star overnight accommodation to executives while speeding through Germany. Already some say they can discern a drop in the number of BMWs and Mercedes roaring across the country.

As the London-Brussels experience shows, there is still some way to go before rail is the natural choice of the business traveller in Europe. A trans-Alpine journey I made earlier this month summed up the problems. My international

ticket required a supplement for the Italian, but not the Swiss part of the journey. After queuing for 10 minutes, I discovered that this could not be paid by credit card, and had to line up at the bureau de change to procure some more Swiss francs before reacquiring myself with the original queue. The Basel-to-Bologna express left 45 minutes late from the dismally comfortable Swiss station, and devoured an entire working day in its eight-hour haul across the Alps and northern Italy. But the trip also demonstrated some of the benefits compared with flying. The extra space was welcome, the catering splendid and the views superb. And the cost (including that irritating supplement) was just a quarter of the equivalent air fare.

## Hotels upgrade to technological innovations

SUE WHEAT

These are changing times. And hotels are changing with them. The business traveller's technological needs as well as their demands for everything from health spa facilities to environmentally thoughtful policies are now being catered for.

Environmental policies are rarely top of the business traveller's "must-have" list, but many hotels are nevertheless realising that waste, water and energy management helps them cut costs, and appeals to their increasingly environmentally-aware clientele who often see such policies being implemented in Europe and the US.

The International Hotels Environment Initiative has gone a long way to improving the environmental performance of many resource-hungry hotels.

However getting good business support services is of course paramount for any business traveller. Gone are the days when messages get stuck in pigeon holes in reception, now voice-mail in your room often provides you with your own personal answerphone. Some hotels will give you business cards with your room's direct line printed on them, and a hotel that addresses the needs of the most sophisticated business traveller will be looking at installing technology for video telephones and ISDN communications. As ever the US is leading the way with such state-of-the-art services, but Britain is trotting eagerly behind.

Finding sophisticated services is fine, even in the UK - as long as your expenses stretch that far. Some hotels, like the recently refurbished Berner's Hotel in London, dedicate a whole "Club Floor" to the business traveller (£195 single, £200 double).

"We wanted to put a five-star product in a four star hotel so converted the fifth floor for our business customers, with a separate check-in facility, fitness centre and Club Lounge," explains Director of Sales, Leslie Hall.

In the Club Lounge complimentary soft drinks are served all day, a business centre is available with access to a photocopier, fax, secretarial service,

computers and complimentary use of a boardroom. There is also 24 hour room service for anyone who is up all night sweating over sales figures, and a nightly networking opportunity where guests can meet each other from 5.30 to 7pm over a glass of champagne in the Club Lounge.

Similarly, it is no problem to find luxury hotels with excellent fitness and health spa facilities. Go to New York, Beijing, Manila, Beverly Hills or Hong Kong and you can luxuriate in the Peninsula Hotels' luxury spas, and enjoy an "executive relaxation day" for a mere \$285.60. Closer to home and at the budget end of business travel, even the Forte freephone number (0800 404040) could tell me that the Post House in Swindon has its own leisure club, indoor pool, sauna, gym, en-suite facilities, hair dryer, tea, coffee, and remote control TV.

But for the budget business traveller who actually wants to do some work, searching for a room with a phone that reaches the desk can be a difficult task, let alone finding one with a socket to plug your modem into. Unfortunately the Forte freephone number couldn't tell me if rooms at the Post House, Swindon had phones, let alone a modem socket.

Mike Gates of Hogg Robinson BTI insists the best way to find accommodation that suits your needs is through a good business travel agent. "We keep a database of clients so that every time we research a booking for you we automatically know what facilities you need when you are away," he explains.

Facilities for the budget-conscious business traveller also are slowly improving. Holiday Inn is introducing an Express Brand room which will offer business facilities with accommodation at around £40 per night, and are increasingly taking bookings over the internet.

So if you're on the road and you want to book a room, just click-on to the virtual reality reception area and check out the facilities for yourself - health, business or otherwise. That is, if you can find anywhere to plug in your modem.

## Indian air carriers raise standards

SIMON CALDER

In other places, the concept would not seem odd. You contact the airline or a travel agent and book a flight. At the airport, you board a modern, well-maintained aircraft. It departs on schedule, and you enjoy a pleasant meal and a drink en route. Upon arrival, you are promptly re-united with your luggage. Yet for long-suffering business travellers in India, this sort of thing is a revelation.

For decades, the state-owned domestic carrier Indian Airlines enjoyed a monopoly on flights within the country. Tales of overbooking and arbitrary cancellation were legion. More worryingly, questions were raised about maintenance standards after the loss of an Indian Airlines Airbus A320. During an industrial dispute the company deployed aircraft and crews from the Soviet Union, which did little to dispel concern over safety.

Eventually, evidence from abroad about the benefits of competition in aviation was taken on board and, slowly, the airways over India were liberalised. A number of new carriers are now competing with Indian Airlines, and each other, on domestic routes. The potential rewards are considerable: besides a pool of frustrated business travellers, there are approximately 60 million middle-class Indians (even



Not just toy trains: Indian Railways still provide a viable mode of transport for business travellers. Photograph: Simon Calder

using John Prescott's definition of class).

The improvements have been rapid. One of the first newcomers on the scene was Modiluft. The "luft" in the title is a reference to the German national airline Lufthansa, which maintains the carrier's Boeing 737s - and lends elements of its corporate identity. Initially Modiluft was

obliged to market its services as a curious charter/scheduled hybrid, but now rules have been relaxed.

Modiluft is competing for custom with Jet Airways, which has built up an extensive network using the ubiquitous 737. I found standards on a two-hour flight from the Himalayan foothills to Delhi to be gratifyingly in line with those on

intra-European services. The meal was excellent, though people who enjoy an alcoholic drink might blanch at the insipid squash which accompanied the food. The view from the window seat at 30,000 feet, watching Everest and its partners march past at eye level, was unparalleled.

To see how Indian Airlines is responding to the competi-

tion, I flew on the national carrier from Agra to Varanasi. There was no evidence of over-booking, and inflight service was perfectly adequate. The flight was an hour behind schedule for no immediately apparent reason, but compared with some of the delay horror stories which have achieved near-legendary status among travellers in the sub-continent

this hardly counts. Improvements in the air, however, are making the poor facilities on the ground even more painfully apparent. I have yet to find an Indian airport to which some or all of the words chaotic, uncomfortable and less-than-clean apply. Many Indian airports are part of military installations, and so the provision of facilities for business travellers does not rate highly. Indian Railways, the traditional means of getting around the world's second most-populous country, should not be overlooked by the business traveller. Hardier expatriates have been covering the country for years in the (relative) comfort of "2AC" - second class, air-conditioned carriages that make perfect sense for short or overnight journeys such as Jaipur to Delhi, or Varanasi to Calcutta. The computerised booking system, covering main lines across the whole country, works pretty well.

However you reach your destination, these days you can be confident will be an international-standard hotel awaiting you. Both domestic and international chains are well established in business cities. The main shock, particularly in Bombay - recently renamed Mumbai - is the price of a room and additional facilities. India is now in line with much of the rest of the world in terms of the price of business travel.

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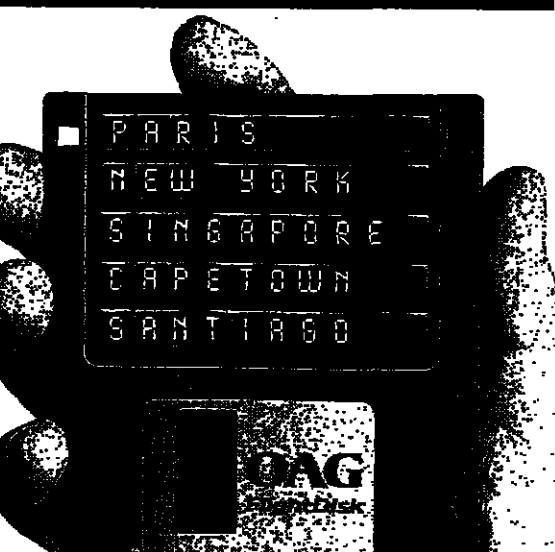
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# Sobanska relishes the dog days

But political changes in her home country have meant that, unlike previous years, athletes now need to pay no more than

That would take McColgan into new territory if she were to maintain a challenge and give the event another finish to relish. However it turns out, Sobanska's parents will not be in London to witness the struggle.

■ The 6ft 2in Welshman Iwan Thomas, who is aiming for a relay place at the Olympics, went fourth in the all-time United Kingdom 400m rankings with a 44.66sec victory in Johannesburg.



## Lord's prepared for a Botham victory

morrow morning and announce the result around lunchtime. Apart from the 40-year-old Botham, the other seven candidates are the former England captain Graham Gooch, Kim Barnett, Brian Bolus, John Edrich, David Graveney, Geoff Miller and Chris Cowdrey.

## RACING RESULTS

2.5R: 1. **VOY PRINCESS** (K Durley) 16:1  
2. **HARVEST** (S Steadley) 15:1 fav. 16  
ran. ¼. 5. IC Britann, Newmarket. Total: £221.30. CSF: £68.90, £1.40, £5.10, £1.40. CSF: £268.95. Thrcast: £1,395.71. Tot: £319.50.

3.2R: 1. **FRIENDLY BRAVE** (A Whelan) 11  
2. 4. **MOONBEAM** 5-1; 3. **Pedroco** 2-1 fav. 7  
ran. ¼. 16. **Nice Gay Kelloway**, Newmarket.  
Total: £410. £10.00, £2.70, £1.40. CSF: £130.50.  
£5.68. Net: \$45.00.

4.0R: 1. **SHARAF** (K Durley) 15-8 in 2  
Northern Punt 5-2; 3. **Horsed** 11-2; 1. **14** ran.  
6. 1¼. ¼ **Dunlop**, Annand. Total: £2.60  
£1.40, £1.40, £1.70, £1.80. DF: £2.90. CSF:  
£7.15. Tot: £4.90. Non Runner: Ann for Sturdon.

4.2R: 1. **SANDABAR** (K Bradman) 5-1  
Consort 5-2; 3. **Coazy Chief** 2-1 fav. 5-2  
ran. ¼. 16. **Newmarket**, Total: £1.40.  
£2.40, £1.70, £1.40, £1.70. DF: £130.10. CSF:  
£38.49. Tot: £29.50.

# Sutcliffe and Ridley rattle Leicestershire

Maddy and was low - this was Maddy's first first-class wicket. Mark Wagh played two or three good strokes before being run out while Ridley went on in fine style, playing shots all round the wicket. He swung Parsons square for six and reached his first first-class hundred in 101 balls, with eight fours and four

D J Madden not out	5
G J Parsons not out	5
Extras (w.i.)	1
Total (for 3 dec, 32 overs)	14
Fall: 1-38, 2-84, 3-105.	
Did not bat: A D Mulcahy, B F Smith, J P A Nazzari	
C C Barry, A R K Person, D J Mills.	
Bowling: Mulcahy 1-1-56-1; DuPreez 5-0-20-0	
Mahk 1-0-48-2; Wagh 4-0-18-0; Khan 1-0-5-0	
OXFORD UNIVERSITY - Second Innings	
T M Gupta c Person b Mills	1
I J Sutherland c Person b Parsons	10
Wagh c Mahk b Mills	8

A C Noddy (1) 1  
G Khan low b Mandy 1  
M Wagh run out 1  
H S Meek, not out 1  
M E D Jarrett run out 1  
J N Batty run out 1  
R Thomson run out 1  
Extras (not out) 1  
Total (7, 43.4 overs) 212  
Fall: 1-5, 2-152, 3-157, 4-177, 5-202, 6-210  
7-212.  
Did not bat: D P Mather, S P DuPreez.  
Bowling: Maddy 9, 4-2-31, 0; Mills 6-1-21-1  
Persons 10-7-43-1; Person 9-0-58-0; Wells  
2-0-20-0; Maddy 5-0-28-2.  
Umpire: A G T Whithead and N G Coway.

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## sport

Even by the impoverished standards of sports administrators, the RFU's botched attempts to oversee the move to professionalism have set new standards for incompetence, argues **Steve Bale**

# Rugby union: how not to run a sport

Tony Hallett has long since given up wondering what the next day will bring. Last year he actually felt modestly pleased with himself when he was appointed to succeed Dudley Wood, secretary of the Rugby Football Union, and it has been all downhill since then. At one and the same time English rugby has landed itself in internecine turmoil and the international doghouse.

As an exercise in incompetence, in how not to run a sport, England's reluctant attempt to come to terms with the start of professionalism, and with it the end of 120 years of history, would take some beating. These days Hallett, the most affable of fellows, is going round with a permanently haunted look, assailed inside and outside the RFU, inside and outside England.

**'The RFU is at the least guilty of hubris in holding such a hostage to fortune'**

If he now wished he had stayed in the Navy, he could be forgiven, since nothing he ever saw in the service could have prepared him for the ferocious politicisation of rugby that has accompanied professionalism. However it has done so, the RFU has succeeded in antagonising everyone.

Not content with the seismic internal split which may be about to lose it its most eminent clubs, it has now so antagonised the other home unions - which, let's face it, congenitally despise the English anyway - that it may be about to be kicked out of the Five Nations' Championship. Yesterday the Welsh, Irish and Scots together announced they would reconsider the format of the championship - with the plain intention of finding a way of expelling the perfidious English for their brazen attempt to corner the lion's share of the next television contract.



Ancient history? Steve Williams, of Wales, fails to stop England's Rory Underwood in the Five Nations' Championship; next year he may not have to try

Photograph: Empics

Lion's share? The Lions may be among the first victims.

Anyone who imagines this to be no more than a cross-border tiff about admittedly large sums of money - anything from £130m to £225m has been bandied about as the overall going rate - has a poor knowledge not only of rugby history but of history itself. Jack Rowell, the England manager, is fond of talking about the history that goes into Five Nations matches and when he does so he means Culloden and not the Calcutta Cup.

So the idea of putting the infamously superior English in their place is older by a few centuries than rugby. But even within the specifically rugby context the RFU, by demanding a rise from 25 to 60 per cent of the proceeds from the joint home unions' television contract and then claiming everyone will be better off, is at the very least guilty of hubris in holding such a hostage to fortune.

To understand we need to go back to 1884 when a dispute between England and Scotland led to the formation in 1886 of the

International Board as an arbitrator - without the RFU, which would not join on the basis of equal representation with Wales, Scotland and Ireland. It did not do so until 1890 when finally offered six members against two each for the other three.

The resentment, for this and other perceived indignities, lingered. In 1911 England voluntarily gave up two seats but it was 1948, when Australia, New Zealand and South Africa were graciously admitted with one member each, before Eng-

lish representation came down to that of their neighbours. France, by the way, had to wait until 1978.

It might have been thought that with a war on one front - against its big clubs - the last thing the RFU needed was to open a second front, though in fact the row over TV money was heralded two years ago when the RFU started negotiations in similar vein but eventually backed down under precisely the threat that yesterday became a reality.

It is also curious, even at a

time when the need to pay for Twickenham makes it desperate to grub up all the money it can get, for the RFU make a virtue of going it alone from the other home unions at the same time as telling the clubs of the folly of going it alone from the RFU. Something here does not add up. As for its local difficulties, it is totally bemusing that a body that at one time was known as the most decisive, businesslike and far-seeing in Europe should have turned itself into such an object of derision. To complain - as many have - that it was

caught on the hop by the International Board's decision last August to abandon amateurism is a tired explanation and certainly not an excuse.

Let us look no further than the other side of the world. Whether or not the IB had permitted professionalism, the Wallabies, All Blacks and Springboks as well as the provincial structure underpinning them would have gone pro anyway, so when the IB made its fateful decision all of the above were immediately up, and in the case of the players

running, passing but seldom kicking.

The result has been the dazzling Super 12-series, a Jaguar among competitions compared with the jolopy that passes for its nearest English equivalent. The clubs who are at loggerheads with the RFU may appear to want to do something about that, but sometimes you feel the mass membership of the union would like nothing better than to rid themselves of these same clubs and so of the awful taint of professionalism.

In the modern, multinational rugby world this is an utterly untenable position but in English rugby it would provide an explanation of sorts for the obnoxiousness of which Cliff Brittle stands accused in his role as chairman of the RFU executive. One member of that executive has seriously suggested

**'Rugby union's amateurs are making an unholy mess of professionalism'**

to me that there is a hidden agenda to oust the major clubs as a precisely similar purification exercise to that which entailed the departure of the northern clubs 101 years ago.

Whatever, it is no way to run a business - which is how the RFU and the top clubs are nowadays obliged to regard themselves. Hence the reason the clubs want more cash from the union and the union wants more cash from the home unions. The trouble is that the RFU is, to its very bootstraps, amateur; you had only to be at the two special general meetings in Birmingham to know this for certain.

Try translating that to the administration of a professional sport - and the Rugby Football Union is doing precisely that - and you are instantly in difficulty. However you look at it, rugby union's amateurs are making an unholy mess of professionalism.

## Lessons that have not been learnt as history repeats itself

If long-term consistency is the sporting virtue to be prized above all others, then the Rugby Football Union has it in trumps.

If Will Carling's old farts are showing an inability now to deal with the reality of change, then they have a 101-year-old precedent for their recalcitrance. The threatened schism between the RFU and its leading clubs carries uncanny echoes of the events that led to the birth of rugby league in 1895.

The myth that rugby league came into being purely because of the single issue of broken-time payments to compensate work-

ing-class players has been largely debunked by recent research.

The broader picture of the split of 1895 is one of a desire among the more successful clubs, who were concentrated in the north of England, for more autonomy. Those clubs were already paying their players through back-door arrangements and recognised that they needed regular competition against each other to generate the income that was required.

The RFU's attitude to broken-time payments was merely a symptom of its determination to maintain its control

and not allow the initiative for deciding the future shape of the game to be seized by northerners, who were not imbued with the amateur ethos.

All the things that the rebel clubs wanted before the 1895 split, notably leagues and the abandonment of restrictive amateurism, have come to pass in rugby union over the past century. But the refusal to allow the new breed of rebel clubs to exercise autonomy within the RFU can be seen as a rear-guard battle in the same war.

The RFU has accepted professionalism, but still wants to

**Dave Hadfield believes that the Rugby Football Union's present intransigence is bred of the same kind of autocracy which split the game more than a century ago**

retain its power over the very different organisations that professional clubs will have to become, while the clubs know that it is hopelessly ill-equipped to do so.

In the lead-up to the 1895 schism, there was deep concern over the wealthier, less scrupulous clubs poaching all the best talent, just as there has been in

rugby union in the 1990s. Those clubs, in turn, regarded the RFU as incompetent and run by establishment backwoodsmen.

There was even a figure who could be regarded as the Cliff Brittle of his day, the Rev Frank Marshall, who took on the role of witchfinder-general, rooting out incipient professionalism. It was the intransigence of his fac-

tion that led to 22 clubs setting up their own Northern Union. Some of the consequences of that move should give the RFU pause for thought now.

Rugby union in the north of England never recovered from the shock to its system, and association football, which had resolved the tensions between amateurism and professionalism, stepped into the vacuum.

The breakaway league became a largely self-contained, exclusive body, because smaller clubs could not compete financially with the bigger outfits which had taken the plunge.

Over the next decade, the rules under which the Northern Union played adopted most of the distinguishing features of rugby league, starting with reducing teams to 13, abolishing line-outs and allowing open professionalism.

The reason for the changes in the way the game was played was simple. The new game was dependent on attracting crowds in order to pay its way, and it had to be more attractive to watch if it was to survive.

What rules, you have to wonder, will professional rugby union clubs eventually play

under? If they are to generate the money they need, they will find, as another group of men who bridled under the RFU's autocracy 101 years ago found, that it will have to be worth watching.

**What do you think of the RFU's handling of the move to professionalism? We will print a selection of your views. Write to: Sports Letters, Sports Department, The Independent, 1, Canada Square, Canary Wharf, London E14 5DL. Or fax your letter to 0171 293 2894.**

## Nickle cleared for final

**Rugby League**  
DAVE HADFIELD

Sonny Nickle, the Bradford Bulls forward, has been cleared to face his old club, St Helens, in the Challenge Cup final in 10 days' time.

Nickle has been ruled to have no case to answer after being placed on report following an incident in the Super League match between the two clubs on Sunday. That leaves Brian Smith, the Bulls' coach, able to field his first-choice second row combination at Wembley, with Jeremy Donougher expected to recover from a neck injury in time to play.

St Helens, on the other hand, have some worries in their back

row. Vila Matautia, faces the disciplinary committee tomorrow as a result of his sending-off for the use of an elbow against Bradford. Dean Busby, the first-choice loose forward, was ruled out yesterday because he has not recovered from a knee injury quickly enough.

The better news from Knowsley Road is that Simon Booth, the second row, could be fit to resume in time for the final. St Helens will also have Mike Gregory, the former Great Britain loose forward and captain, on hand on the big day.

Gregory was appointed assistant coach to Shaun McRae last month, but Salford were refusing to release him from his playing contract. Now they have relented in time for Gregory to

be involved behind the scenes in the Wembley preparations.

"It's a great time to arrive at the club and I have to thank John Wilkinson, the chairman at Salford, for releasing me from my contract," Gregory said.

Mike Ford, the former Great Britain scrum-half, will make his debut for Wakefield in the home match against Salford on Sunday after joining the club from Warrington. The 30-year-old former Wigan and Castleford player has agreed a two-year deal with the option of a further 12 months.

Wakefield have paid a small transfer fee for Ford, who joined Warrington last September after a spell with the South Queensland Crushers in Australia.

## Archer joins Newcastle as Hall keeps spending

**Rugby Union**  
STEVE BALE

The spending spree by Sir John Hall on behalf of the rugby arm of Newcastle United Sporting Club continued yesterday when three players, headed by the 21-year-old England lock Garath Archer, were added to Rob Andrew's squad.

Archer's return to Newcastle from Bristol had been well trailed, and both clubs appear to be satisfied - Newcastle to have an outstanding young forward and Bristol to be rid of a profoundly unsettling influence on the rest of their players.

He will be joined by the England A centre Andrew

Blyth, one of an impending exodus of players from West Hartlepool, and Ross Nesdale, a hooker who was on the Auckland bench when the Lions played there in 1993. Although Nesdale is a non-European national, his new club say he will be eligible to play from the start of next season.

The First Division to which Newcastle aspire will move nearer its denouement tonight when Leicester, two points behind Bath with a game in hand, play Sale at Welford Road. If Sale sensed a better chance of an upset in the absence of John Lily and Rory Underwood the feeling evaporated when their own inspiration, Paul Turner, withdrew with a rib injury.

## Ainslie collects bronze

**Sailing**  
STUART ALEXANDER

A bronze medal at the Laser World Championships in Simonstown, South Africa, was almost a disappointment for Ben Ainslie, Britain's representative at the Olympics.

The 19-year-old was unable to recover in the final two races yesterday from a disqualification on Monday for putting on a top which meant his weight was seven ounces over the limit.

The gold medal went to Robert Scheidt, of Brazil, and the silver to Karl Suneson, of Sweden. Another Briton, Ian Percy, was pleased to finish fifth, behind Stefan Warkala, of Germany.

In Murcia, Spain, all the British contenders for the Olympics are doing well enough to go through in the European qualifiers for the women's doublehanded 470, the women's singlehanded Europe, and the men's singlehanded Finn.

After six races Bethan Raggett and Sue Carr were 10th of 17 with 16 to qualify. Shirley Robertson was ninth of 26 with 19 to qualify, and Richard Stanhouse was 14th of 24 with 18 to qualify.

The Round the Isle of Wight Race, which is expected to attract a record entry of more than 1,500 yachts for its diamond jubilee on 29 June, is to be sponsored for the next three years by the Japanese-owned ophthalmics company Hoya Lens

UK, who will also back Eddie Warden Owen's 1996 campaign on the Ulven 30 circuit.

Britain's Sue Crafer is one of five women named as the initial core crew of Sweden's all-women EF Education entry in the 1997 Whitbread Race. The training boat joins the other training yachts, the former Galicia Pescanova, in Falmouth at the end of this month. Two new yachts are scheduled to be built.

Crafer joins Whitbread veterans Mikaela von Koskull of Finland, Leah Newbold of New Zealand, and Marleen Cleyndert of the Netherlands, all of whom crewed Heineken in the last Whitbread. A Swedish icebreaker was yesterday accompanying the yacht out of Stockholm.

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سلاوات العرب







## SPORT

# THE MEN IN THE MIDDLE OF RUGBY UNION'S MONEY ROW

Steve Bale on the amateurs running a professional game

## Home rivals unite in move to isolate England

Rugby Union  
STEVE BALE

England's apparently inexorable progress out of the Five Nations Championship was sharply accelerated yesterday when the Five Nations committee - of which the English are in increasingly uneasy membership - announced it would consider changing the format of the championship. Without England.

This is the combined Welsh, Scottish and Irish riposte to the

Rugby Football Union's unilateral decision to seek its own television deal when the current £27m Five Nations contract with the BBC runs out next March. The others turned down the RFU flat when it sought to change the present four-way even split to a 60 per cent share of the "new mouth to feed". Broadcasters are set to pay at least £150m this time.

If this continues, England will soon be seeking annual fixtures with South Africa and

Spain. The ramifications could also affect the British Isles touring team, the one other institution that is governed by the home unions in combination. A severance of relations with England would make next year's tour to South Africa either implausible or impossible.

The non-English home unions - France has always made its own arrangements with French TV - reached their potentially momentous decision at last Sunday's meeting in Dublin but chose to delay saying so for 48 hours.

There is another meeting, also in Dublin, on 27 April when another attempt at an unlikely settlement will be made.

The RFU's status as a subsidiary host union for the 1999 World Cup was excluded from yesterday's statement. "This break by England was considered wholly unacceptable by the FNC, who insist that the conduct and sale of rights, including broadcasting rights, are to be retained by the committee," it said.

"The other member unions

of the committee will now be requested to consider the future format of the Five Nations Championship and additional levels. The breakdown by England from the existing arrangements could have implications for British Lions tours. The other unions of the Five Nations committee will now be obliged to reappraise the positions generally."

Yesterday the RFU, having on Monday refused to recognise

its Five Nations position was under any threat, remained disbelieving that it had come to this. The RFU secretary, Tony Hallett, launched a defence of the union's position based on the financial realities created by professionalism and the patronising supposition that the other unions would also be better off as a result of England's opt-out.

"In the new, increasingly commercial world created by the International Board, the RFU believes it has a responsibility to its constituent bodies

and clubs in membership for maximising its own TV revenue," he said. "We believe that all unions will be able to benefit from our decision and that the Five Nations will remain inviolate."

This piece of wishful thinking makes Hallett sound as if he had never heard of the Five Nations' indignation. In any case the RFU is divided on this, as it is on how to deal with its own recalcitrant senior clubs. The union's TV stance, adopted at last Friday's meeting of the full

committee, is understood to have been opposed by no less than Cliff Brittle, chairman of its executive.

The Welsh would probably be in a position to go it alone too but have, with undisguised piety, resolved to stick with the less-blessed Scots and Irish. Yesterday the Scottish Rugby Union, on the occasion of the 250th anniversary of the battle of Culloden, pleaded for a change of heart. Another English victory like that one would not do at all.

## Shearer injury gives Fowler Euro 96 hope

GLENN MOORE  
Football Correspondent

The threat of injury is as much a part of football as the ball. It strikes without regard for ability or form. But, though it is the scourge of the game, it can bring benefits as well as losses.

These are rarely obvious at the time but as Terry Venables yesterday announced that Alan Shearer, his leading striker, was the latest England player to be struck down, there was a glimmer of hope. Shearer will not be available for England's Wembley friendly with Croatia on Wednesday, the squad for which Venables announced yesterday, but he may be a better player for that in Euro 96. If he plays.

Every time England go into a summer tournament, and fail, the complaint goes up that there is too much football. It is true but, since the chairman are incapable of looking beyond self-interest, it falls to nature to intervene. Many injuries are caused by too much football, either directly, as in wear-and-tear injuries like cartilages, or indirectly, through having inadequate time to recover between games. The silver lining is that injuries force rest that ultimately benefits the player and his team.

Shearer has been suffering from a groin injury for some weeks but, with Blackburn chasing a European place, has continued playing. He has finally admitted defeat and undergoes an operation tomorrow.

"It is disappointing to miss the end of the season but, by doing what I'm doing now, my specialist is confident I will be fit for Euro 96," he said. At which point Venables added "and

maybe the tour" in reference to England's trip to China and Hong Kong in late May.

"It's been getting worse for the last three months," Venables said. "He wants to get 30 goals, which is why he's playing tonight [he has 29]. He will have the op on Thursday and should be back in three to four weeks."

That Shearer is playing tonight suggests the injury is not that serious. He should, therefore, be fit by June and he will also feel rested and refreshed.

That certainly applies to Jason Wilcox who was one of three players enjoying the plus side of injury yesterday. Wilcox, Stan Collymore and Sol Campbell have been given the chance, through others' misfortune, to revive fledgling international careers which had themselves been interrupted by injury.

Wilcox is the latest contender to fill the void left by Darren Anderton, another injury victim. Anderton, who made a significant step in his return from injury when he came on for Tottenham on Monday, was injured in the autumn. Wilcox has been missing since last March but may be returning just in time.

His importance to Blackburn was best illustrated by their lack of balance without him. It is his first appearance in a full squad but he played well for the B team last season.

Collymore played twice without distinction during last summer's Umbro Cup then lost his place with both England and Liverpool after suffering an ankle injury in August. He has since struck up an excellent partnership with Robbie Fowler. The temptation to play both next week must be strong but Fowler is the more likely starter.

Campbell was in the squad for the abandoned match in Dublin 14 months ago, before dropping out with injury. He took time to rediscover his form at Tottenham but is now playing well. A versatile player he has made a timely return to the centre-half berth. At present, Tony Adams, Gary Pallister, Steve Howey and Gareth Southgate are all injured.

All hope to be fit for Euro 96 - though Adams broke down in training yesterday - but first Campbell, or Ugo Ehiogu, have the chance to stake a claim. They should certainly get the opportunity to show their mettle. Croatia can choose from Davor Suker, Zvonimir Boban, Alen Boksic and Robert Prosinecki. Against such opposition Mark Wright's experience is likely to be used. "I expect them to be one of the favourites in the summer. They were the better side in two games against Italy," Venables said.

There is every indication that Croatia, unlike some of England's recent visitors, will be taking the game seriously. Whether the attendance will reflect this is yet to be seen. Though admission prices are expected to be reviewed for the May fixture against Hungary they remain high for this game. Wembley is thus expected to be half-empty - or, as an FA spokesman might say, "half-full".

ENGLAND SQUAD (vs Croatia, Wednesday, 24 April: Seaman (Arsenal), Flowers (Blackburn), Walker (Derby), D. Jones (Ipswich), Campbell (Tottenham), Wright (Liverpool), Elliott (Aston Villa), Pearce (Aston Villa), P. Jones (Aston Villa), Lee (Leeds), Best (Sheff Wed), Shearer (Sheff Wed), Wilcox (Blackburn), Stan Collymore (Liverpool), Wilcox (Blackburn), Stone (Preston), Shearer (Sheff Wed), Fowler (Liverpool), Shearer (Sheff Wed), Fowler (Liverpool), Shearer (Sheff Wed), Fowler (Liverpool).

Premiership race, page 29



Eric Owens, of the Cincinnati Reds, slides and steals third under the tag of Houston Astros' Sean Berry

Photograph: Neal Laurant/Reuter

## Francis puts Anderton in frame

Darren Anderton was not selected for England's game next week with Croatia, but his Tottenham manager, Gerry Francis, has told Terry Venables: "He could still be your man for Euro 96."

Francis plunged substitute Anderton into the last 12 minutes of a typically frenetic North London derby against Arsenal at Highbury on Monday night - his first senior appearance since September following two serious groin operations - and said: "Now I want him to play in all our last three Premier League games against Chelsea, Leeds and Newcastle."

"It is a tremendous thing for him, and I think tremendous for England as well, that he's had this 12 or 13 minutes and come through it. Darren has been through a very bad time, a very frustrating time, but he's back and that is great news. I spoke to Terry Venables about him after the Arsenal game and told him my plans now for Darren."

"Terry can't pick him for the squad against Croatia but Dar-

ren will have a full game in the reserves on Thursday and, hopefully, another 90 minutes in a testimonial match at West Ham on Saturday.

"Then I'll be looking to play him in the three League games and Terry will have the opportunity to assess him for the European Championships."

"He doesn't have to name his squad until the end of May and so there is time still for Darren to get his match-fitness completely right. Obviously it is up to Terry after that, but he knows Darren as well as I do and he's a player who can do things that other players cannot do."

Francis decided to take his gamble on Anderton after Dean Austin and Andy Sinton were forced out of the squad for the Arsenal game by injuries.

Anderton said: "Until yesterday morning I thought I was going to play in another reserve game, but then Gerry told me I was on the bench instead for the first team and it was great to be back - and to get on."

"Twelve minutes isn't very

much but I felt OK and if things go well next week then hopefully I'm all right for the games against Chelsea, Leeds and Newcastle. I haven't even dared think about the England thing yet, but if it comes along then I obviously wouldn't say no."

Venables was among a 38,000-plus Highbury crowd to watch a passionate but goalless draw which left Arsenal still in pole position for a Uefa Cup place next season - two points ahead of sixth-placed Spurs, with three game apiece to play.

But the Gunners, who now face a trip to Blackburn a week on Saturday followed by home games with Liverpool and Bolton, could yet rue their failure to take first-half chances and go clear of the pack.

Blackburn, boosted by recent victories over Newcastle and Nottingham Forest, are still strongly in the hunt. They will be also be just a point behind Arsenal if they beat Wimbledon at Ewood Park tomorrow.

Bruce Rioch, the Arsenal manager, saw Paul Merson

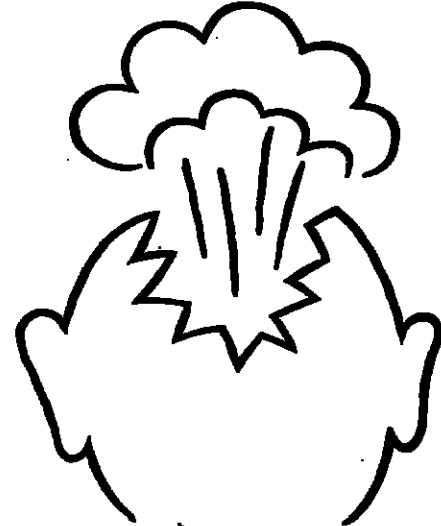
twice blaze over the bar when superbly set up by first Dennis Bergkamp and later Ray Parlour. Rioch, who then watched Nigel Winterburn miss from eight yards, said: "We had the momentum at that stage and should have converted at least one of our opportunities."

"But I don't consider it two points dropped. Spurs had a good chance themselves through Chris Armstrong in the second half and it was remarkable really that there were no goals to show at the end."

In a match of thundering commitment but variable quality, honours were deservedly shared - allowing Francis to maintain his five-year unbeaten record, as manager of both QPR and Spurs, against Arsenal.

He admitted: "It was not quite the result we wanted and it will be very difficult for us to get into Europe. But two points is nothing even with three games to play and I believe it will still go right to the wire for a Uefa Cup place. We have three hard games left but so do Arsenal."

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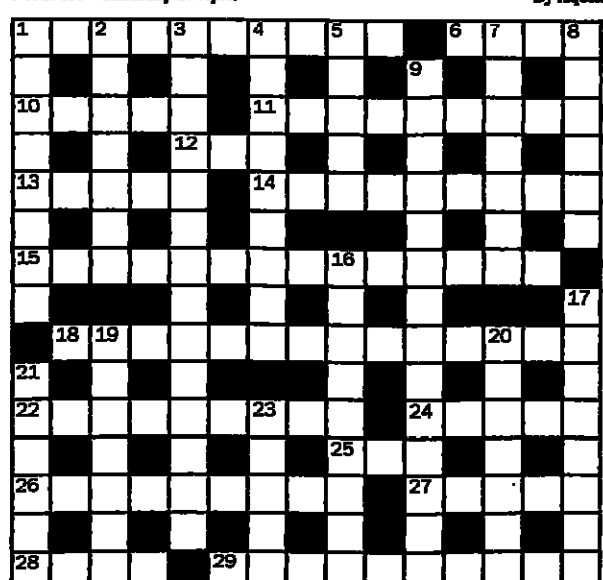
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## THE INDEPENDENT CROSSWORD

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No. 2963, Wednesday 17 April

By Aquila



- 2 Football frenzy in the country (7)
- 3 Strange, contrary idea of being fighting-fit (5,3,6)
- 4 Living in the sea makes old sailor weaken (9)
- 5 Naughty kids run from wriggly young things (5)
- 7 High tar alarm? I'd reform! (7)
- 8 Upright individual in High Street? (6)
- 9 Unfit condition? Messages lessen rash best (14)
- 16 Adler and Jung, for example, reported as record-keepers (9)
- 17 Breaking law in opening stout? (8)
- 19 Country with diamonds to unload? (7)
- 20 Letter to Timothy in pile, set to be sorted? (7)
- 21 Gold watch, perhaps, for retired draughtsman (6)
- 23 Get up and get going! (5)

- 1 Strongholds in favour of locks? (10)
- 6 City's home fixture (4)
- 10 Buttery making mark on paper (5)
- 11 Organ many upset as member of guild? (9)
- 12 Short tenor at party? Full stop! (3)
- 13 Rawboned type has some painful analysis (5)
- 14 They would be well-informed, knowing races can be fixed (9)
- 15 Pompous riparian had to fall to do a turn (4,2,4,4)
- 18 Pluto alignment brings confusion (14)
- 22 Kind of roll, (A-E, etc)? (9)
- 24 Lighter tumble (5)
- 25 Popular name for a pub (3)
- 26 Watches traditionally show parallel things (9)
- 27 Extremely wide, possibly
- 28 This bird dead, with nothing to follow? You can say that again! (4)
- 29 Enduring variety of prettiness (10)

## Thursday's Solution

DOWN: 1. CRAFT, 2. GUILD, 3. ROLL, 4. BUTTERY, 5. RAMPAGE, 6. CITY, 7. REFORM, 8. UPRIGHT, 9. UNFIT, 10. BUTTERY, 11. ORGAN, 12. SHORT, 13. RAWBONED, 14. MESSAGES, 15. POMP, 16. ADLER, 17. BREAKING, 18. PLUTO, 19. COUNTRY, 20. LETTER, 21. GOLD, 22. KIND, 23. GET, 24. LIGHTER, 25. POPULAR, 26. WATCHES, 27. EXTREMELY, 28. BIRD, 29. ENDURING.

## Wednesday want offers for cut-price Waddle

Chris Waddle, who will be a free agent at the end of the season, has refused a one-year deal at Sheffield Wednesday.

The 35-year-old former Newcastle, Tottenham and Marseille winger, will be available for £250,000. He said Wednesday's manager, David Pleat, had made it clear that he was "no longer regarded as a regular in the team."

"I want to be either playing regularly or doing a job as a player-coach or as a player-manager, so we agreed it would be best if I was made available."

Waddle has been on the bench for the last three Wednesday matches but his last start was at Aston Villa on 6 March.

Waddle's former Tottenham cohort, Glenn Hoddle, will also need a new contract at the end of next month. The Chelsea manager meets his club chairman, Ken Bates, and his boardroom colleagues tomorrow after Chelsea's Premiership trip to Sheffield Wednesday.

"It's not about my contract but about how the club is going

to be run. Hopefully it's going to be positive," Hoddle said. "I need to know exactly what's going on and it has taken a hell of a long time to get this meeting to fruition."

Chelsea players have encouraged Hoddle to stay and finish the job at Stamford Bridge where Bates took the holding company, Chelsea Village, on to the Alternative Investment Market recently.

"Supporters keep saying to me, 'Why haven't you signed your contract?' But they don't understand the issues which have got to be sorted out from the top level. We need some direction."

"At the moment I'd be a fool to put pen to paper and commit other people's livelihoods as well. I saw what happened at Tottenham when they first went public and it was frightening. I don't think it's all rosy and there are a lot of things that need to be talked about and sorted out."

Millwall's manager, Jimmy Nicholl, could return to first-team football at the age of 39. Nicholl, who last played in the English league 10 years ago, is

contemplating playing Millwall's critical relegation game at home against Oldham on Saturday.

The former Northern Ireland full-back played for his former club, Raith Rovers, this season but his last English League game was for West Bromwich Albion in a 5-0 defeat at Tottenham on 8 March 1986.

The new Millwall manager, who played a full reserve match against Brighton on Monday, has four defenders suspended and Damien Webber is also injured.

The Football Association has commanded police and stewards at Highbury for their swift action in quelling ugly scenes in Arsenal's Clock End stand after Monday's north London derby against Tottenham.

Thirteen arrests were made after rival fans hurled missiles, including bottles and broken seats, but the FA will not be taking any action.

Dumbarton, doomed to relegation to the Scottish Second Division, are up for sale. The move follows the resignation yesterday of three directors.

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